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78

55TH CONGRESS, 2d Session. } HOUSE OF REPRESENTATIVES. { REPORT No. 776.

JOINT SELECT COMMITTEE

TO INVESTIGATE THE

CHARITIES AND REFORMATORY INSTITUTIONS

IN THE

DISTRICT OF COLUMBIA.

PART II—REPORT.

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Joint Select Committee to Investigate the Charities and Reformatory Institutions in the District of Columbia.

JAMES MCMILLAN, of Michigan,
CHARLES J. FAULKNER, of West Virginia,
THOMAS S. MARTIN, of Virginia,
From the Senate.

MAHLON PITNEY, of New Jersey,
STEPHEN A. NORTHWAY, of Ohio,
ALEXANDER M. DOCKERY, of Missouri,
From the House of Representatives.

CHARLES MOORE, of Michigan,
Clerk.

55TH CONGRESS, 2d Session. } HOUSE OF REPRESENTATIVES. { REPORT No. 776.

CHARITIES AND REFORMATORY INSTITUTIONS IN THE DISTRICT OF COLUMBIA.

MARCH 22, 1898.—Ordered to be printed.

Mr. PITNEY, from the Joint Select Committee to Investigate the Charities and Reformatory Institutions in the District of Columbia, submitted the following

REPORT.

The Joint Select Committee to Investigate the Charities and Reformatory Institutions in the District of Columbia was organized February 21, 1897, under authority contained in the District of Columbia appropriation acts approved June 11, 1896, and March 3, 1897, as follows:

That a joint select committee is hereby authorized, to consist of three Senators to be appointed by the presiding officer of the Senate, and three Members of the House of Representatives to be appointed by the Speaker of the House, which select committee shall make investigation of the charities and reformatory institutions of the District of Columbia, and especially of those for which appropriations are made by this act, as respects their relations to the government of the District of Columbia and to the United States, whether by special charter or otherwise, their efficiency, their management and resources, whether by appropriations, investments, or otherwise, and also what portion, if any, of appropriations heretofore made to them have been used for the purpose of maintaining or aiding, by payment for services, expenses, or otherwise, any church or religious denomination or any institution or society which is under sectarian or ecclesiastical control; whether such charitable or reformatory institutions are effective and economical in their organization, methods, and expenditure to provide for the poor and destitute in the District of Columbia; whether it is practicable for the Commissioners or other authority in the District to make contracts or to otherwise provide for such care of the poor and destitute with any of said institutions, and if so, which of them and to what extent, within the limitations of the policy hereinbefore declared; and if not, the probable expense of providing and maintaining public institutions for such purpose.

Said committee shall make report as soon as practicable after the beginning of the next session of the present Congress, including in such report any changes by them deemed advisable as respects the methods of dealing with the charities and the reformatory institutions of said District.

Said committee is authorized to sit during the recess, and the necessary expenses of the committee, including clerical and stenographic work, shall be paid out of the contingent funds of the Senate and House of Representatives, jointly, on the certificate of the chairman of the committee.—*Act of June 11, 1896.*

That the joint select committee, authorized by the act making appropriations for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, eighteen hundred and ninety-seven, to make inquiry and report concerning the charities and reformatory institutions of the District of Columbia, are hereby continued during the Fifty-fifth Congress, with all the powers and duties imposed upon them by said act. And any vacancies which may occur in the membership of said committee by expiration of service or otherwise of any Senator shall be filled by appointment by the presiding officer of the Senate, and any vacancies which may occur by reason of the expiration of service of any House members of said committee shall be filled by appointment to be made by the Speaker of the present House of Representatives from Members-elect to the House of Representatives of the Fifty-fifth Congress; and any vacancies which may occur by reason of death or resignation of any House member shall be filled by appointment to be made by the Speaker of the House of Representatives for the time being, and said committee shall have authority to sit during the recess, and shall make report as soon as practicable after the beginning of the first session of the Fifty-fifth Congress: *Provided*, That the clerk designated by the committee may be paid for clerical services such compensation as may be fixed by the committee in addition to any salary he may be receiving.—*Act of March 3, 1897.*

The committee having been organized began a series of eleven hearings according to a schedule designed to cover the entire question of charities in the District of Columbia. The testimony taken at these hearings, together with the replies of the mayors of a considerable number of the more important cities in the United States, made in reply to questions addressed to them as to appropriations to private and sectarian institutions, was submitted to Congress on July 21, 1897, and was printed as Senate Document No. 185, Fifty-fifth Congress, first session.

Subsequently the committee pursued its investigations into the history of the various charitable institutions, as required by the provisions of the acts above adverted to. The information thus obtained will shortly be submitted to the Senate and House of Representatives.

The following report aims to reply to such questions as were not covered by the two previous publications and to present the recommendations of the committee as to the proper organization of District of Columbia charities.

APPENDICES.

As supplementing this report the committee submits the following appendices:

A. Report on the hospitals of the District of Columbia, by Dr. Henry M. Hurd, superintendent of the Johns Hopkins Hospital at Baltimore, Md., and Dr. John B. Chapin, physician in chief and superintendent of the department for the insane of the Pennsylvania Hospital at Philadelphia, Pa.

B. Letter from the Medical Society of the District of Columbia, relative to the administration of hospitals.

C. Report of Dr. William C. Woodward, health officer of the District of Columbia, on the sanitary condition of charitable institutions.

D. Report of the Commissioners of the District of Columbia as to the property of charitable institutions exempt from taxation.

E. Report of the sanitary officer of the Metropolitan police as to the number of sick and indigent persons sent to the several hospitals and asylums from 1878 to 1897, inclusive.

F. Report of the Secretary of the Treasury, showing the appropriations made by Congress for charitable purposes from June 30, 1876, to June 30, 1898.

THE BEGINNINGS OF DISTRICT INSTITUTIONS.

At the beginning of its investigation the committee was confronted by the fact that there has never been any organization of District charities. Each institution has been founded to meet some need more or less pressing. As a rule, the institutions so established were founded without expectation of Congressional aid and were maintained for a longer or shorter time by the contributions of philanthropic and benevolent citizens of the District. When the zeal of the founders cooled, or when the institution had developed a constituency greater than private contributions could care for, appeals were made to Congress for aid, and these appeals met with such a response, that at the present time there are in almost every branch of charity several organizations, each aiming to do essentially the same work, but unfortunately no one of which is adequately supported.

Owing also to the lack of cooperation among the institutions themselves and the necessity of securing the means for supporting even a limited amount of work, it has been impossible in most instances to carry out progressive ideas, and as a result the charities of the District are far behind those in operation in other communities. The blame for this state of affairs does not rest primarily with the institutions themselves, for in almost every instance the organizations present records of self-sacrifice on the part of individuals and of real devotion to the cause of charity.

PRIVATE GENEROSITY.

Indeed, considering the peculiar conditions affecting the District of Columbia, conditions involving a comparatively short residence on the part of so many people, and also the large influx to the capital city of persons who have no real claim to the charity of the residents, the committee has been surprised to find an amount of public spirit and private benevolence which it would be difficult to surpass in communities where wealth is greater and where the time of residence of the individual citizen has been much longer.

Moreover, the fact that Washington as a residence city is every year attracting persons of wealth and leisure from all parts of the United States, and the active and intelligent interest many of these people are taking in District philanthropy, make it fair to assume that the amount of money available for charity in the District of Columbia will increase considerably with every year, provided only some system can be arranged by which individuals can be interested in the various charitable works,

and at the same time can be assured that their gifts will be wisely and effectively used. The success of almost every institution with which the committee has been called upon to deal can be traced to the devotion of one or more members of its board of management, and it would be a mistake for Congress to adopt any measures which will tend to make all of the charities of the District purely Government institutions. At the same time the District owes to certain of its dependents a duty which it should not seek to transfer to merely voluntary organizations supported by private gifts. The committee, therefore, would draw the line between the duty owed specifically to society in taking care of certain classes of dependents and that charity which may best be exercised by churches and benevolent organizations toward the poor and the needy with whom such organizations are brought into immediate contact.

THE PROBLEMS GRAVE, BUT NOT INCAPABLE OF SOLUTION.

The problems presented in the District of Columbia, while both numerous and grave, are by no means incapable of solution. Indeed, most of the difficulties that are now pressing for settlement here are essentially similar to those that either are pressing various States and cities, or that have already been met elsewhere. Moreover, the history of legislation in the District of Columbia since the present form of government came into operation shows conclusively that everyone who has been called upon to deal directly with the charities of the District has recognized the problems which have beset the committee, and has urged the solution which the committee now recommends.

THE COMMISSIONERS HAVE ALWAYS FAVORED A BOARD OF CHARITIES.

The earliest reports of the Commissioners of the District of Columbia make appeals to Congress for a central board of charities to coordinate the various institutions, and to make suggestions for improvement, so that Congress might act intelligently in the matter of appropriations.[1]

IN VAIN CONGRESS SEEKS INFORMATION.

Congress also has repeatedly called upon the Commissioners of the District for information which would enable that body to deal with District charities in a comprehensive manner, but hitherto the expected results have not been reached.[2] In 1889 Congress did authorize the appointment of a superintendent of charities, and charged him with the duty of investigation and report. Unfortunately, however, the task was beyond the powers of any one man. The superintendent of charities, having behind him no board of influential citizens whom he could

[1] See History, Chapter XV.

[2] See History, Chapter XIV, for the various attempts at organization.

interest in the problems which he found pressing for solution and whose recommendations to Congress would carry weight, has often been compelled, seemingly, to antagonize the boards of trustees of the various charitable institutions, each of which boards was struggling to obtain for its particular institution the largest possible appropriation. The Commissioners of the District of Columbia, whose advisory and executive officer in the matter of charities the superintendent nominally is, have always found the multitude of their duties so pressing that they have never at any time been able to give to the subject any consideration whatever beyond urging Congress to place the whole matter in competent hands and confessing their own inability to do justice to so grave a subject. It is in this way that the committee accounts for the chaotic condition that at present exists in the District.

A BOARD OF CHARITIES RECOMMENDED.

The Committee therefore recommends, as the first step toward the efficient reorganization of the District charities, the appointment of a board of charities, to be composed of five residents of the District of Columbia. This board should have the power to visit and inspect all institutions that receive appropriations from Congress and that are of a charitable, eleemosynary, correctional, or reformatory character. This board should be appointed by the President of the United States, by and with the advice and consent of the Senate, and no payment for the care, support, and maintenance should be made to such charitable, eleemosynary, correctional, or reformatory institutions for any inmate of such institutions who is not received and retained therein pursuant to the rules established by the board of charities.

THE NEW YORK CONSTITUTIONAL PROVISION.

The legislation herein proposed is that which has been incorporated in the new constitution of the State of New York, an instrument which undoubtedly represents the best thought of the day on such matters. This board should have the power to elect its own officers, and to appoint a secretary to take the place of the present superintendent of charities; and also to appoint such other officers, inspectors, and clerks as may be deemed necessary and proper and to fix their compensation, such officers to hold office during the pleasure of the board. The members of the board should serve without salary, but should be entitled to the expenses incurred while in the actual performance of their duties. The records of the board and its proceedings, and copies of all papers and documents in its possession and custody, when duly authenticated, should be received in evidence in the same manner and like effect as deeds regularly acknowledged and proven. The board should have power to issue subpœnas which, when authenticated by its president and secretary, should be obeyed and enforced in the same manner as subpœnas are enforced by the order or mandate of a court of record.

DUTIES OF THE BOARD OF CHARITIES.

The duties of the board should be to aid in securing the humane and economical administration of all institutions subject to its supervision; to advise the officers of such institutions in the performance of their various duties; to aid in the securing and erection of suitable buildings for the accommodation of the inmates of such institutions; to approve or disapprove the organization and incorporation of all institutions of a charitable, eleemosynary, correctional, or reformatory character which are, or shall be, subject to the supervision and inspection of the board; to investigate the management of all institutions made subject to the supervision of the board, and the conduct and efficiency of the officers or persons charged with their management, and the care and relief of the inmates of such institutions therein or in transit; to aid in securing the best sanitary condition of the buildings and grounds of such institutions, and advise measures for the preservation and protection of the health of the inmates; to aid in securing the establishment and maintenance of such industrial, educational, and moral training institutions having the care of children as are best suited to the needs of the inmates; to establish rules for the reception and retention of the inmates of all institutions subject to the supervision of the board; to investigate the condition of the poor seeking aid, and advise measures for their relief; to administer the laws providing for the care, support, and removal of the poor who are properly dependents of other States; to collect statistical information with respect to the receipts and expenditures of all institutions, societies, and associations subject to its supervision, and the condition of the inmates thereof, and the poor receiving public relief.

THE POWER OF INVESTIGATION.

The board should further be empowered to take proofs and hear testimony relating to any matter before it, or before any member of the board upon any visit of inspection. The members of the board should have full access to the grounds, buildings, books, and papers of all institutions subject to the care of the board, and should have the power to require from the officers and persons in charge thereof any information that may be deemed necessary in the discharge of its duties; also the board should prepare regulations according to which, and provide blank forms upon which, such information shall be furnished in a clear, uniform, and prompt manner for the use of the board. Provision should be made for the punishment of any officer or employee of an institution who shall unlawfully refuse to admit any member, officer, or inspector of the board for the purpose of visitation and inspection, or who shall refuse or neglect to furnish the information required by the board or any of its members, officers, or inspectors.

The members and officers of the board should be prohibited from being interested, directly or indirectly, in the furnishing of materials,

to inforce proper methods in the conduct of institutions and in the admission of inmates. Such a power is too great to intrust to any one man, but it might as properly be intrusted to a board as the power to regulate the admission to the public schools is intrusted to a board.

SELF-GOVERNMENT FOR THE DISTRICT OF COLUMBIA.

Moreover, the committee believes that the District of Columbia is entitled to the largest amount of self-government consistent with the supervision of Congress over all the concerns of the capital city. In the case of charities, where the appropriations already amount to nearly half a million dollars a year, it is quite as proper to have a board of charities as it is to have a board of school inspectors. The people of the District are keenly alive to the importance of such a centralizing agency to promote efficiency and to correct the present abuses. Before the committee came the secretary of the associated charities (a most efficient organization, wholly supported by residents of the District, that is constantly providing for the poor), who strongly advocated a board of charities, such as is in now in operation in New York, Massachusetts, Ohio, Minnesota, and other States.[1]

The charities committee of the Washington Board of Trade also advocated the establishment of a board of charities, and presented the draft of a bill that is less comprehensive and less definite than that proposed by this committee.[2] A committee from the Washington Civic Center also appeared before the committee to advocate the establishment of a board, citing instances of lack of care for real dependents.[3] The Medical Society of the District of Columbia, in a communication printed in connection with this report, urge the establishment of such a board to correct the serious abuses they point out in the administration of medical charities.[4] The Board of Children's Guardians discuss the same question in its relation to their work among the dependent children and present strong arguments to prove the advantages of a general supervision of the instrumentalities for child-caring.[5]

THE NEED OF REGULATION SHOWN BY THE NUMBERS SEEKING AID.

The need of some system for dealing with the entire subject of District charities is made apparent by the size of the figures representing the dependent population of Washington. During 1896 no fewer than 26,600 persons were treated in District hospitals, supported wholly or in part from the public treasury. Adding the number treated in dispensaries and by the physicians to the poor, the total number of persons receiving medical treatment in public institutions was 58,180, or about 21 per cent of the population. To this number should be

[1] Hearings, p. 11.
[2] Hearings, pp. 13 and 459.
[3] Hearings, pp. 19–23.
[4] See Appendix B.
[5] Hearings, pp. 449–458.

added 1,014 children in subsidized institutions, 1,342 women who were admitted to subsidized homes, and 6,547 men who were provided for at public expense, making a total of 67,083 persons who received care in institutions wholly or partly supported from Congressional appropriations. The meaning of these figures is that during four years a number of persons at least equal to the entire population of the District of Columbia receives public aid. Nor do these figures include the blind, the deaf and dumb, or the insane. Even if no abuse existed in the admission of persons to the institutions, still ordinary humanity would suggest that where such large numbers of people are cared for by public institutions there should be some regulation of such agencies, with a view to making them most effective.

INSTITUTIONS UNABLE TO MAKE SUITABLE REGULATIONS.

It will not be seriously questioned—indeed, the authorities of the institutions admit—that grave abuses exist in the matter of providing for those who are abundantly able to provide for themselves. The difficulty, however, is beyond the power of any one institution to remedy; and so long as the size of Congressional appropriations is based on the number of persons cared for, so long will each institution endeavor to attract to its doors as many persons as possible. It is manifestly a wrong to the community thus to encourage imposition and fraud; and it is also a wrong to the taxpayer of the District and to the Treasury of the United States to allow so flagrant an abuse to continue.

REFORMS EFFECTED IN NEW YORK.

The question is, Will the proposed remedy be effective? The best answer to this is the experience of the State of New York. In the report of the State board of charities for 1896 (pp. 102–103) this statement is made:

> The purpose of the constitutional provision, under which the board is empowered to make rules for the reception and retention at public charge of inmates of private charitable institutions, was to guard against improper admissions and unnecessary retention, and the test of efficiency in the rules adopted is the extent to which they answer this purpose. A sufficient trial has not as yet been given the new system to enable the board fairly to measure results, but the indications are favorable, for from the returns on file in the office of the department from the various institutions throughout the State for the care of orphan, destitute, and dependent children it appears that there has been a substantial decrease in the number of this interesting and numerous class of public beneficiaries. The returns show 13,452 admissions from January 1 to December 31, 1896, and during the same period 14,332 discharges, or an actual decrease of 880, to which should be added 368 that up to December 31 had been taken off the public pay roll, though still present in the institutions. This shows a net decrease of 1,248 in the number of inmates who were a public charge in the 120 reporting institutions.
>
> The rules of the board were formulated with the view of effecting cooperation between this board, the supreme supervising authority, the officers of the private charities, the commissioners, superintendents, and other local officers of the poor, and the finance departments or disbursing officers of the various localities.

SAVING EFFECTED.

In the city of New York, where this system was first inaugurated and this cooperation has been most fully established, it is conservatively estimated that the saving effected by the reduction thereunder in the number of dependents is, during the short period in which it has been in operation, twentyfold greater than the total expense incurred in its execution.

It is now several years since the New York commissioners of this board first began to call the attention of the board and the public to the annual increase of public dependents in the city institutions and the consequent enormous increase of the burden of expense. Previous to the adoption of the rules, the commissioners of charities had no authority over the dependents maintained in private charitable institutions at the expense of the city. Such inmates were admitted to the institutions either on commitment of a police justice or under the provisions of special acts without the intervention of any constituted authority representing the municipality, and were retained much at the pleasure of the officers of the institutions. There was absolutely no local supervisory authority, and it is not surprising that, under conditions calculated to foster dependence, the metropolis stands unrivaled throughout the world for the proportion of dependents to its population. The city generously accepted the maintenance of paupers from all over the world, and a more improvident system of public relief of destitution never elsewhere existed, or was so long maintained.

Nearly every nationality is represented in the population of the large city institutions, and the examination of the individual historical records of the children inmates suggests the confusion of tongues in biblical days. The jargon of names unmistakably betrays the fact that it is not entirely, or even principally, for the destitute or distressed of our own State or country that we are bearing the burdens of taxation, but that the fame of our generosity and careless methods has spread to nearly every corner of the habitable world. Where there was no supervision, it is not surprising that the number of private institutions and the number of their dependents inordinately extended, and it is in the expansion of the private charities that the great increase in the burden of providing for public dependents has accrued. It is possible that the institutions did not make strenuous efforts to reduce the number of their inmates when to do so meant a material reduction of income.

The State board of charities had not the full power to act then which came to it afterwards by the action of the constitutional convention. But the influence of special papers upon the subject, which first emanated from this board, was felt by other organizations and associations, so that, when the hour was ripe by the education of the public mind and by the access of additional powers conferred upon the board by article 8, section 14, of the constitution, action was at once taken, the results and the promise of which are extremely gratifying.

COOPERATION MADE EFFECTIVE.

The cooperation between authorities sought to be effected by the rules has been very satisfactorily established in the city of New York. The accounts of the different institutions are given a rigid examination in the office of the comptroller, who insists in every instance that the certificate of this board that the institution has complied with the rules established by the board for the reception and retention of inmates, and also that the acceptances of the commissioners of charities of the persons for whose maintenance payment is desired, shall accompany the bill. In order that the commissioners can intelligently grant such certificates, they have employed a staff of six examiners, whose duty consists of inquiry and investigation into the state and circumstances of the dependents, and of their claims through destitution and legal settlement upon the charitable of the city. To these officers of the commission none whatever of the powers and duties of this board are delegated, but they remain solely the agents of the commissioners of charities for the purposes indicated.

It was at the urgent request of this board that the appointment of these examiners was made and funds provided by the board of estimate and apportionment for their compensation. The board regards as the most important of the rules it has established that which requires an acceptance from the local officer of the poor before any person, child or adult, can be admitted as a public charge upon the locality he represents, and it is under this rule that the commissioners of charities have established, in their proper function, that of general supervision over all the charitable concerns of the city.

REJECTION OF UNWORTHY APPLICANTS.

The results consequent upon the operation of this rule laid down by this board and enforced by the commissioners of the department of public charities of the city of New York in the period from March 1 to December 31, 1896, are the rejection, as public charges, of 3,761 cases of children and adults, and an estimated annual saving to the city of $450,000.

Previous successive years have been marked by a steady increase of public dependents out of all proportion to the increase of population, but the present indications warrant a confident belief that the board has at last been able, through the additional powers conferred upon it by the constitution and law, to check the heretofore continually advancing tide of pauperism.

PARALLEL BETWEEN NEW YORK AND WASHINGTON.

The case of New York City, with its enormous influx of foreigners, is paralleled by that of Washington, with the great numbers of persons who annually visit the seat of government to seek office, to prosecute claims, or to enjoy the privilege of free care and treatment for which the city has become noted throughout the land. It has come within the observation of the committee that children are sent to Washington from States beyond the Mississippi to enjoy free asylum and hospital privileges; the statistics of the hospitals show that the neighboring States take advantage of these privileges to a great degree, and the officers of institutions assert that in many instances patients are publicly assisted to come here.

It is stated that women have been known actually to spend three years in idleness in one public institution after another in the District, and the facilities for so doing are at hand. Under the present system a woman may come to Washington and with perfect security from publicity may give birth to a child and then herself receive years of support, while her child, without her intervention, can be passed through a chain of institutions that support it for eighteen years, largely at the cost of the District! Such a system is as bad for the individual as it is for the community. While it may be impossible wholly to reform this abuse, yet it is possible to minimize it by suitable rules regulating the admissions and discharges to public institutions. As the discussion of the situation proceeds, other arguments for the establishment of a board of charities and the application of such a solution to existing problems will follow. The committee will now take up in some detail the questions submitted for its consideration in the act in accordance with which it was created.

SECTARIAN INSTITUTIONS.

One question asked in the act is as follows:

What portion, if any, of appropriations heretofore made to them [institutions] has been used for the purpose of maintaining or aiding, by payment for services, expenses, or otherwise, any church or religious denomination, or any institution or society which is under sectarian or ecclesiastical control?

The Providence Hospital is owned by the Sisters of Charity of Emmetsburg, Md., and is conducted by them. The institution is not primarily a charitable institution. Persons seeking hospital care are admitted at a charge for board and lodging varying according to the accommodations furnished, and in addition they pay for medical attendance such sums as may be agreed upon between the physicians and the patients. Any physician in good standing may send a patient to the hospital and there treat him. The hospital also receives an income from medical students who attend clinics.

The United States has a contract with the hospital, by which the institution agrees to care for an average of 95 patients sent by the Surgeon-General of the Army, and for this service receives the sum of $19,000 annually, making the average daily cost to the Government 54.9 cents per day per patient.

It appears from the report of the sanitary officer of the District of Columbia[1] that during the fiscal year ending June 30, 1897, 901 persons were admitted to the Providence Hospital at the instance of the District authorities, and that the whole number of patients treated in the hospital during the year ending October 31, 1896, was 2,219. The hospital conducts an emergency service, admitting those persons who are brought to the hospital by the police ambulance or who make application for treatment. According to the testimony of Surgeon-General Sternberg, the hospital furnishes him a list monthly, showing the names of the patients and the date of their admission and discharge.[2]

After the hospital has treated monthly 95 charity patients it is entitled to the full proportion of one-twelfth of the annual appropriation of $19,000. The average during 1896 was from 112 to 115 charity patients treated each day, but no greater sum than $19,000 per annum was paid. The list furnished to the Surgeon-General monthly gives the names of the patients, their nativity and occupation, the disease from which they suffer, and the date of admission and date of discharge. Some cases remain for several days or several months; in other cases the patient is treated and sent away on the same day.

Theoretically, all patients are admitted on the order of the Surgeon-General; practically, cases are admitted by the Sister in charge, who simply makes a report to the Surgeon-General. There appears to be no adequate examination into the question as to whether the persons need

[1] See Appendix D. [2] Hearings, p. 242.

treatment or whether they are able to pay for treatment. The Surgeon-General exercises no real supervision over the admissions, and the sanitary officer, without investigation, simply exercises his judgment as to sending to the hospital persons making application at his office for free treatment. Therefore, while theoretically there is a contract with the hospital providing for a certain number of patients, and while the hospital undoubtedly receives and cares for a number of patients at least equal to the number required, no measures are taken to protect the Government against imposition on the part of persons who seek free treatment when they are able to pay for hospital services. The annual contract, therefore, is little more than a survival of the proper system as applied to hospital admissions.

As has been said, the hospital is owned and operated by the Sisters of Charity. A chapel is maintained in the hospital building, and there is a resident chaplain. It is probable that the patients seeking Providence Hospital do so with a full knowledge of the facts in the case so far as the religious connections of the hospital are concerned; and the reputation of the Sisters of Charity for devotion in hospital work doubtless draws many patients thither.

From the reports it would appear that all receipts of the hospital are used to enlarge and increase the efficiency of the institution. The amount paid per patient per day by the District is not excessive, but on the other hand it undoubtedly fully covers the actual cost of the services rendered; and especially is this the case in view of the fact that the Government has appropriated $60,000 to pay in part for the buildings.

St. Ann's Infant Asylum.—This institution receives $5,400 from Congressional appropriations, which is about 50 per cent of the total cost of maintenance. The institution has from the date of its establishment in 1863 materially aided the police department of the District in receiving and caring for abandoned infants. It is controlled by the Roman Catholic Church.

The St. Joseph's Male Orphan Asylum receives male children from St. Ann's Infant Asylum, and has a population of about 100. It receives an annual appropriation of $1,800, the total cost of maintenance being, for 1896, $6,115.59. It is under the control of the Roman Catholic Church.

St. Vincent's Orphan Asylum.—This institution was established about 1825, and was incorporated by the act of February 25, 1831. It receives no support from the Government. Only on one occasion has it received an appropriation, and in that instance a gift of lands of the supposed value of $10,000 was made to it.[1] St. Vincent's receives the female children who come from the St. Ann's. It is under the control of the Roman Catholic Church.

St. Rose Industrial School.—This institution receives girls from St.

[1] See History, p. 115.

Vincent's Orphan Asylum. The title to the land is in Sister Clara (Nora Maloney). It has received Congressional appropriations for buildings and other improvements amounting to $20,000 and private gifts of lands, or money expended for lands, to the amount of $2,500. It provides for between 60 and 70 girls, who learn dressmaking. From Congress it receives an annual appropriation of $4,500. Practically the entire support of the institution comes from Congress, the private donations for the school in 1896 amounting to $287.50. It is under the control of the Roman Catholic Church.

The Church Orphanage of St. John's Parish owns property to the amount of about $40,000, about $10,000 of which came from Congressional appropriations. It has an endowment of $22,000. It receives from Congress an annual appropriation of $1,800 and private gifts to the amount of about $2,000, the total cost of maintenance being $4,454 in 1896. The institution is conducted under the auspices of the Protestant Episcopal Church, the rector of St. John's church being the warden of the board of trustees. The trustees (except the treasurer) must be laymen communicants of that church.

The House of the Good Shepherd was organized in 1884, and occupies property valued at about $70,000, of which $23,000 came from Congressional appropriations. It received in 1896 an income from Congressional appropriations of $2,700, besides $282.93 received from the Board of Children's Guardians, the total income for the fiscal year ending June 30, 1896, being $6,869.23. Inasmuch as the income from the work of the inmates was $2,770.05, and a legacy of $1,000 was received, while the total cost of maintenance was $6,869.08, it would appear that the institution is supported practically by the District. It is under the control of the Roman Catholic Church.

The Association of Works of Mercy, under the control of the Protestant Episcopal Church, receives an annual appropriation of $1,800, the cost of maintenance of the institution being about $3,000 a year. The value of the property occupied is about $35,000, of which amount $8,200 came from Congressional appropriations. The amount received from private gifts during 1896 was $823.82. It would appear that about two-thirds of the annual income comes from the District funds.

The Home for the Aged, conducted under the auspices of the Roman Catholic Church, occupies property valued at $260,000, of which amount $55,000 was appropriated by Congress. It receives no appropriation from Congress.

FOR THE RELIEF OF THE POOR.

The annual appropriation for the relief of the poor is $13,000. Of this sum $7,200 is expended for the services of 20 physicians at $30 each per month, and $3,700 for medicines and printing prescriptions. Eighteen druggists supply medicine by contract, the average cost of prescriptions being between 15 and 20 cents. The physicians to the

poor are appointed by the Commissioners of the District of Columbia, and are under the supervision of the Health Office. The Health Office cooperates with the physicians in all cases of contagious disease, making the necessary bacteriological examinations, and furnishing assistance in the use of antitoxin.[1]

DUTIES OF THE PHYSICIANS TO THE POOR.

The physicians to the poor are required to attend promptly the poor of their respective districts, to vaccinate freely such of the poor as need vaccination, to investigate cases of death occurring without the attendance of a physician, or cases where it is impossible to obtain a physician's certificate. The physicians in person are required to make weekly returns of their work on blanks provided by the health office.[2]

The physicians are required to give prompt attention in all obstetric cases of emergency. Other cases of that character are to be referred to the health department, which makes such arrangements as may be possible with one of the out-of-door lying-in dispensaries operated in the city.

DRUGGISTS TO THE POOR.

The druggists to the poor agree to furnish, at prices not to exceed 15 cents for each prescription, medicines of the best quality, properly prepared and put up, upon prescriptions of the physicians to the poor. Where special prescriptions are ordered, where their constituents are expensive, or the quantities are greater than those designated in the contract, a price proportionate to the standard price is allowed.

ALLOWANCES TO INSTITUTIONS.

From the funds for the relief of the poor an allowance of $500 was made to the Women's Dispensary, and an allowance of $300 was made to the Aged Women's Home. The Women's Dispensary is located at the corner of Four-and-a-half street and Maryland avenue SW. It is a free dispensary, having no salaried officers except an apothecary, who receives $10 per month. The Aged Women's Home, located at 1255 Thirty-second street NW., has an income of $144 a year from invested moneys, making, with the public funds received, a total of $444, the annual expenditures being about $600.

EMERGENCY FUNDS.

Also from the fund for the relief of the poor, $300 was paid for coffins for the indigent dead; and $1,000 was paid out for emergency relief

[1] Hearings, pp. 7-9, and 384.

[2] Under the system recently adopted by the health officer these returns are very complete.

cases investigated through the police department by order of the Commissioners of the District of Columbia, on recommendation of the superintendent of charities. The sum was distributed in provisions, fuel, and clothing by the police.

SUGGESTIONS AS TO PHYSICIANS TO THE POOR.

The committee suggest to the Commissioners of the District of Columbia the advisability of the appointment of a smaller number of physicians to the poor, and the payment of salaries more in accordance with the duties they should perform; also that calls for physicians be left at the police stations, under regulations prescribed by the health officer, in order to have some record of the attention paid to such calls.

COMMISSIONERS' GRANTS TO INSTITUTIONS NOT REALLY HELPFUL.

If the Commissioners had no power to grant moneys to institutions, it would in some degree prevent the duplication of charities. In the case of the Women's Dispensary there would seem to be no good reason for adding another to the number of dispensaries now operated in this city. In the case of the Aged Women's Home, while without question the Home has done a good work, still the Washington Asylum has been provided to take care of the very class of cases that the Aged Women's Home proposes to care for, and there are a number of other institutions in the city for the same purpose. If it is intended to establish homes for the aged, the work should be undertaken in an adequate manner.

The committee has been called upon often to see the ill results of a small amount left to establish a charitable enterprise, only to have the charity in question come on the public for almost its entire support. The number of charities already existing, and inadequately supported, offer an abundant opportunity for the charitably disposed to bestow their gifts in a more effective manner than by the establishment of institutions without provision for their support.

DIRECT RELIEF FROM DISTRICT FUNDS NOT ADVISABLE.

In making the recommendation that no appropriation be made for the relief of cases investigated by the police department the committee does so in view of the fact that there is already a fund amounting to $33,000, yielding an income of about $2,000 a year, which is under the control of the Commissioners of the District of Columbia for the relief of the poor. This fund has been created from gifts from the executive committee of the inaugural ceremonies of March 4, 1889, and March 4, 1897. Of the total amount $7,000 was received since the last appropriation for the relief of the poor was made, and if this amount shall be

invested at the same rate of interest that other portions of the fund are now drawing the income should be $420 per annum.

The committee believe that it is unwise to have any considerable sum of money at the disposal of the authorities for the relief of the poor, because where such sums are disbursed by Government officials, persons making application regard themselves as entitled to be numbered among the beneficiaries, regardless of the fact that they may be in no real need. Moreover, each year the central relief committee is organized to provide for destitute cases. During 1896 and 1897 a little over $8,000 was raised from private contributions for the relief of the poor. The persons making application for this relief had their cases carefully investigated, and it is believed that this committee was able to relieve all cases where such relief was deserved.

HARMFUL RESULTS.

In this connection the committee calls attention to the testimony of Mr. George S. Wilson, the secretary of the Associated Charities, to be found on page 25 of the hearings before the committee. Mr. Wilson says:

Two or three years ago Congress made an appropriation of $10,000 to relieve suffering, and there are many people who think that it did more than $10,000 worth of harm. The applicants for relief did not come and ask charity. They would say: "We want a living, and here is the money to give us a living."

During ordinary times we have almost two applicants from colored people to one white applicant. Let an emergency come where there is a little excitement, the number of white applicants will not materially increase; that is, the white people do not come in a rush, but, on the other hand, the number of applicants from among the colored people will increase enormously; we have had them increase twenty-fold. Now, we have these people here; they live here at all times, summer and winter, from hand to mouth. If you establish a public outdoor relief fund they come around in the winter and say "I am out of work; I have nothing to do; I want relief, and there is money here to give it." You say you will investigate. You know these people are within forty-eight hours of starvation most of the time. You go to the house and see absolute destitution. The money is there for relief purposes and it has to be granted. By having such a fund you take all the backbone out of these people.

Mr. NORTHWAY. Suppose you do not have any money; they starve then?

Mr. WILSON. No, sir; they work then. These people can not come to you then and say this money has been appropriated by Congress for relief, and that they are entitled to it; that is, they can not claim it as a right.

Mr. PITNEY. No; they could not claim it as a right.

Mr. WILSON. The very worst cases are these people who have an idea that we get money from Congress. Yet if you supply it, we can not say no. These people receive it naturally, and expect it. It is not so in regard to white people. The great majority of them would rather struggle to get along. The colored people are childlike, and if we had a public outdoor relief fund their condition would be doubly distressing, we think. Besides, there has never been any difficulty to raise money when needed. Washington institutions, more largely than those of any other city in this country I think, are supported to a great extent by public money.

WORK OF THE ASSOCIATED CHARITIES IN INVESTIGATING CASES OF DISTRESS.

Moreover, the Associated Charities, an organization of the citizens of the District of Columbia, is constantly at work investigating cases of destitution, and bringing persons who need help into relations with the various churches, beneficiary organizations, and other charities of the District. From the fact that this work is entirely voluntary, so that the relief afforded is in all respects a pure charity, and from the fact that the Associated Charities is at present covering the entire field, and is hampered rather than benefited by Congressional appropriations, the committee believes it unwise to make an annual appropriation to supplement the funds already in the hands of the Commissioners of the District.[1]

RECOMMENDATIONS.

The committee recommend:

First. That a specific sum be appropriated for physicians to the poor, and a further specific sum for medicines and printing prescriptions for physicians to the poor.

Second. That no discretion be given to the Commissioners of the District of Columbia to grant moneys to any institution in the District of Columbia, but that all such grants be in accordance with specific appropriations for such purposes.

Third. That no appropriation be made for the out-door relief.

REFORMATORY INSTITUTIONS.

THE REFORM SCHOOL FOR BOYS.

The Reform School for Boys now accommodates an average of 219 inmates, of whom 69 per cent were committed by the courts of the District of Columbia, 17 per cent by the courts of the United States, and 14 per cent by the president of the board. These figures are based on the statistics for the last five years.[2] The school is not a charitable but a reformatory institution. It deals with boys who have committed offenses or who are so incorrigible or so outside of the control of their parents that they can not be dealt with longer by them, and the aid of the State is invoked. The Reform School gets no aid from private sources, but is supported by appropriations from Congress.

The institution is managed by a board of trustees appointed by the President of the United States, on recommendation of the Attorney-General, and the general management of the institution is in the Department of Justice, although it is supported by appropriations made in the District appropriation bill.

The school is in so excellent a condition, and is so ably managed with such good results, that the committee deem that it would be unwise to

[1] Hearings, pp. 10, 20, 21, 331.

[2] Hearings, pp. 31, 44-5.

make any change whatever in its control; further than that, if the general system of organization shall be adopted, the school should have whatever advantages may arise from being a part of the general system.[1]

A CHAPEL NEEDED.

The board of trustees has also recommended an appropriation for an assembly hall or chapel structure. There is now an urgent need for such a building, and the board and the committee believe that it should be provided as soon as financial conditions warrant the expenditure.[2]

THE GIRLS' REFORM SCHOOL.

The Reform School for Girls is under the same form of management as the Reform School for Boys. The school was established in response to the urgent needs of the community, but it has never been able to realize the hopes of those who urged its foundation, and up to the present time has been a failure. This result is due to various causes: First, the buildings were never suited to the character of the work to be done; secondly, the officers and management of the school have been changed frequently; thirdly, the girls committed to the school would appear properly to be the subjects of the workhouse, rather than of a reformatory institution; fourthly, the institution was established to care for both white and colored girls, but the accommodations have been so limited that up to the present time only colored girls have been received; fifthly, the methods employed have been suited rather to a workhouse than to a reformatory institution.

RESTRAINT OF INMATES.

While the Reform School for Boys has been able to control its inmates without duress or any form of confinement, the Reform School for Girls has been practically a prison. The trustees of the school have asked

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[1] In response to a letter addressed to the Commissioners of the District of Columbia the following reply was received:

OFFICE COMMISSIONERS OF THE DISTRICT OF COLUMBIA,
Washington, June 5, 1897.

DEAR SIR: In response to your communication of June 3, 1897, the Commissioners have the honor to state that they are of the opinion that the Reform School for Boys, under its present management, is administered by a board of trustees of exceptional ability and integrity; and, while the Commissioners have not had an opportunity of giving the matter the personal attention which they would be glad to do under other circumstances, they believe that the affairs of the school are well and economically managed under the present system.

Very respectfully, JOHN W. ROSS,
President Board of Commissioners, District of Columbia.

Hon. JAMES MCMILLAN,
Chairman Joint Select Committee, etc.

[2] Hearings, p. 42.

for an appropriation of $50,000 to increase the facilities and efficiency of the school. The president of the board of trustees stated to the committee that if Congress would grant that amount of money the school could erect a building in such a way as to be able to separate the criminals from the other girls, and could admit white girls.

HIGH PER CAPITA COST.

The cost per capita of the girls in the institution is about $405 for 1897, which is an excessive cost, brought about largely by the limited facilities of the school, and also by the extra guards necessary to prevent the girls from escaping. In this connection the committee submits the following letter from Judge Kimball in regard to the situation at the Reform School for Girls:

POLICE COURT OF THE DISTRICT OF COLUMBIA,
Washington, D. C., June 7, 1897.

DEAR SIR: I have received your letter of the 3d instant asking me to make a statement of my experience of the workings of the Reform School for Girls, together with any suggestions I might see fit to make as to the manner in which the school might be made an efficient institution.

Shortly after my appointment as judge of the police court I saw the great need of a reform school for girls, and did all in my power to secure an appropriation to erect the necessary buildings. The money appropriated by Congress was, in my judgment, not wisely expended, and in place of two family buildings, each capable of caring for 50 girls, but one was built, which could accommodate but about 30 inmates, and no increase has been made since the first appropriation. That building was speedily filled. There is great need of the erection at once of at least two family buildings, one for young white girls and one for young colored girls. As it is now, the one building is occupied by colored girls exclusively, and there is no place to send white girls. There should be an entire separation of the younger girls from those older.

The judges of the police court are frequently very much puzzled to know what to do with girls sent to them for trial. To send them to jail or to the workhouse keeps them confined but a short time and allows them to associate with older women who speedily teach them lower depths of iniquity, so that when they are discharged they are worse than before. If on the other hand the court lets them go with a warning, they get the idea that they can commit offenses without being punished, and are speedily again in the toils. The class of girls of which I am speaking can not be turned over to the Board of Children's Guardians, as it is difficult if not almost impossible to find homes for such girls. The two institutions are intended to provide for different classes of cases.

There is in the District a large number of girls just entering downward paths who could be saved by a properly conducted reform school, but with the present institution alone there is no possibility of help. I therefore most earnestly urge an appropriation sufficient to build at once two family buildings, and that a third building be provided for in one year thereafter.

There is great need of changing the law to apply both to the girls' and boys' reform schools by which the trustees may be authorized to grant tickets of leave, revokable by the board, so that should a boy or girl show that he or she is not reformed the ticket could be revoked and the person recommitted. The boys, as the regulations are now in force, can, for good conduct, be discharged in a little more than two years after commitment. They are committed, when under 16, until they arrive at the age of 21 years. A boy committed at 15 would be 17 when discharged

for good conduct and beyond the age of recommitment, and no matter what he does thereafter he can not be again sent to the Reform School. This, in my judgment, is entirely wrong. I believe in a revokable ticket of leave for good conduct where it is shown that there is a proper home to go to, or one can be found for him by the trustees or the Board of Children's Guardians with the necessary supervision of his conduct thereafter. Without such power of recommitment up to the age of 21 years, the discharge at the end of two years, in my judgment, acquired by my experience as a police-court judge, is in most cases a mistake. They go back into the old life and many of them are speedily in the police courts again and can not be returned to the Reform School.

I thoroughly believe that the Girls' Reform School should be continued, and by the erection of sufficient and suitable buildings would become of great benefit to the class intended to be reached by it.

Very respectfully,

I. G. KIMBALL, *Judge Police Court.*

Hon. JAMES MCMILLAN,
Chairman Joint Select Committee on Charities.

RECOMMENDATIONS.

The committee recommends:

That an additional appropriation be made to provide more ample accommodations, so that white girls as well as colored girls may be committed to the institution; that the maximum age at which girls can be committed be reduced from 18 to 16 years, thus answering the needs of the community and making a more efficient school.

THE INSANE.

The insane of the District of Columbia are committed by the courts to the Government Hospital for the Insane, the District paying its proportionate share for the care and treatment of its insane patients. The appropriations are paid to the hospital authorities in monthly checks from the Commissioners of the District of Columbia on vouchers submitted.

The Government hospital is under the control of the Secretary of the Interior, and more directly under the control of the board of visitors appointed by the President of the United States, and composed of nine citizens of the District of Columbia. Of the 794 insane from the District of Columbia remaining in the hospital June 30, 1896, 106, or about one-seventh of the whole, were not properly chargeable to the District, but were people who had come to the seat of Government to prosecute some claim, to obtain some office, or who were simply tramps. Of the 106, 20 were admitted during the fiscal year 1896, 23 had been in the hospital more than ten years, and the remainder for terms varying from thirteen months to over nine years.

INSANE NOT PROPERLY CHARGEABLE TO THE DISTRICT.

In the report of the Government Hospital for the Insane for 1896 it is stated that while the Revised Statutes, section 4850, give the superintendent authority to take charge of insane persons until their friends

can be discovered, or until their residence can be found, with a view to the return of such persons to such friends or to their proper places of residence, yet it often happens that no friends or residence can be found, and the District authorities have no choice but to let them remain. "But, after making due allowance for this," the report goes on, "it can hardly be doubted that there is a considerable number of assisted emigrants from neighboring States, where the hospital has almost too good a reputation, and in far too many cases correspondence with near relatives of the unfortunate man in the State of his residence shows no yearning on their part for his return. These would plainly seem to be cases where the District authorities should actively interfere, and thus, in the language of the statute, 'relieve the District of the expense and charge of such indigent insane nonresident.'"

RECOMMENDATIONS.

That the board of management report to Congress, through the Secretary of the Interior, the draft of a bill to confine the benefits of the institution to those persons whom the law contemplates as beneficiaries.

DEAF AND DUMB.

The deaf and dumb of the District of Columbia to the number of 31 are cared for at the Columbia Institution for the Deaf and Dumb, an annual appropriation of $10,500 being made in the District bill to cover the expense of such care and training. Pupils received from the District are retained so long as they give evidence of mental improvement, none being retained beyond the period of the collegiate course of study at the institution. Properly speaking, the Columbia Institution is not a charity, but is purely an educational institution, and it has been included here simply because the care of the deaf and dumb is usually regarded as a charity.

RECOMMENDATION.

The committee has but one recommendation to make in regard to this subject, the present provisions being regarded as satisfactory:

In case of the establishment of a board of charities, the admission of the deaf and dumb pupils from the District should be placed under the general control of that board, and should not be left with the Secretary of the Interior.

Obviously the Secretary should not be called upon to administer District affairs when there are District authorities capable of doing the work.

FEEBLE-MINDED CHILDREN.

The feeble-minded children supported at the expense of the District of Columbia number 34; of these 28 are placed at the School for the Feeble-Minded at Elwyn, Pa., at a cost of $225 per annum for each

pupil; the remaining 6 are at a small private institution at Falls Church, Va., where special arrangements are made for each child. The total expense for the year is $4,645.87.

Before the organization of the Board of Children's Guardians the care of feeble-minded children was intrusted to the Secretary of the Interior, who placed children in institutions, upon the recommendation of the president of the Columbian Institution for the Deaf and Dumb. The Fifty-second Congress, however, placed upon the Board of Children's Guardians the duty of placing feeble-minded children; but the provisions of the law were so indefinite as to seem still to require the recommendation of the president of the Columbian Institution. The law in regard to the care of this class of dependents is otherwise ambiguous, and the Board of Children's Guardians desires to have the law made explicit by the enactment of the following legislation:

PROPOSED BILL.

That the Board of Children's Guardians of the District of Columbia is hereby authorized to receive applications on behalf of persons alleged to be of feeble mind who have resided within the District of Columbia for not less than one year immediately preceding the filing of such application, and to cause such children, accompanied by their parents or guardians, to be brought before the board for examination touching their mental condition; and whenever, upon such examination, it shall be shown to the satisfaction of the board that any such person is of unsound mind, or is an epileptic, or is idiotic or imbecile, and, therefore, incapable of receiving instruction among persons of sound mind, the said board may cause such person to be placed in an institution conducted for the special care and training of such persons, at such rate of payment as may be found necessary, not exceeding two hundred and twenty-five dollars per annum.

That whenever it shall be made known to the Board of Children's Guardians that the parents or guardian of any feeble-minded person, who is for the time being supported at public expense, or on behalf of whom an application for public support is under consideration, is able to contribute toward the support of such person, the board shall require such parent or guardian to show, under oath, the extent of his or her income or property, and ability to contribute toward the support of such person, and the board may thereupon order and require the payment to the board, monthly or quarterly in advance, of any sum less than the full amount paid for the support of such person by said board.

In this recommendation the committee concur. The cost of maintenance at Elwyn ($225) is higher than the actual cost ($162.76) of supporting a feeble-minded child at the New York State Institution for Feeble-Minded Children at Syracuse,[1] but the Board of Children's Guardians have secured a reduction of $25 per annum from the rates of 1894–1896, and it is doubtful whether any institution would admit both white and colored children at a lower rate.

The necessity of protecting the community from the propagation of idiots is too well established to need comment here.[2] The committee

[1] Report of the New York Board of State Charities for 1896, p. 51.

[2] For an instance of the bad effects of committing a feeble-minded girl to the almshouse of the District of Columbia see Charity Hearings, p. 65.

suggest that means should be taken to provide not only for feeble-minded children, but for feeble-minded adults as well. Idiots are not proper patients for the insane asylum, but much less should they be suffered to go at large and to inflict their offspring on the public.[1]

INDIGENT BLIND.

Under section 2 of the act of Congress approved May 29, 1858 (11 Stat. L., p. 294), the Secretary of the Interior is authorized to place for instruction in the institution for the blind in the State of Maryland or some other State the indigent blind children of teachable age belonging to the District of Columbia; also the indigent blind children of persons actually engaged in the military or naval service of the United States. Under this authority 21 blind children were under instruction in the Maryland institution for the blind in Baltimore during 1895; 2 were admitted and 2 discharged during the year, leaving 21 beneficiaries at the institution on June 30, 1896.

The cost to the Government for each pupil is $300 per annum, that being the amount charged by the State of Maryland for similar instruction to others. These sums are paid from the Treasury of the United States, the District bearing no part in the support of its own blind.

The committee recommend:

That the work of providing for the blind children of the District of Columbia be transferred from the Secretary of the Interior to the Board of Children's Guardians, and that a specific appropriation for the care of the blind be made in the District appropriation bill.

There is no good reason why the District should not take care of its own blind, nor is there any reason for burdening the Secretary of the Interior with the duty of looking after this class of the District's dependents.

DEPENDENT CHILDREN.

Perhaps the most perplexing problem with which the committee has had to deal concerns the dependent children. In this District two systems are at work—the asylum system and the placing-out system. In theory, however, the asylums recognize the placing-out system; each of them has provisions in its charter for the indenture of children, and each practices that system so far as its resources will allow. On the other hand, the Board of Children's Guardians, which makes the placing-out system its foundation, is compelled by the nature of things

[1] The State of New York forbids the retention of any idiot in a hospital for the insane, and by the term idiot is understood "any person who by reason of a condition of the brain, either congenital or acquired prior to the age of 12 years, has his normal functions so far impaired that he is incapable of performing any other than mere mechanical duties under the direction of his guardian." For all such separate institutions are provided.

to use the asylum for the reception and for the preparation of children for homes.

The mutual antagonism of the two systems appears in their practical operation. The placing-out system insists that before a child becomes properly a dependent—that is, a proper charge upon the public—the courts or some other official authority shall investigate the case and decide as to the fact of such dependency. The asylum system—so called for convenience—maintains that it is the duty of the State to assist in caring for children whose parents may for any reason be unable to care for them; and in case the parents become able to resume the care of their offspring, under this system the children may be returned to them. Children are received without official investigation, each institution or organization having its own rules in regard to the admission and dismission of children.

Again, the placing-out system is based on the theory that where the natural parents of a child have proved remiss in their duty it may be for the best interests of both the child and society to have the child placed in a new home where it will grow up as a part of the community and in this way be trained in habits of self-reliance and in the duties and privileges of citizenship. Retention in an institution is contemplated only to the extent of training the individual child, so far as may be necessary, in habits of veracity, cleanliness, and order, so as to fit it for entrance into a home. The asylum system practically prolongs the training for years, during which the child is supported by the community; and endeavors in the institution to give such a training as the public schools would provide for persons placed out. Often these institutions are connected with and in part supported by religious organizations. It is the custom also for the Protestant churches to unite in supporting some one or more institutions; while the Roman Catholic Church in every large community maintains a complete system of institutions for child-caring work.

A third difference between the placing-out and the asylum systems is found in the fact that the latter system in effect maintains no supervision over the child after it leaves the institution, whereas it is an essential part of the placing-out system to visit at intervals the children so placed out and to retain control over the welfare and the persons of its wards, to the end that they shall be properly cared for, educated, and trained.

As has been said, the difference in the two systems is rather practical than theoretical, since the asylum does not intend to provide for the unworthy, nor to keep children beyond the time when good homes can be found for them, nor to neglect children placed out. The weak point in the system is that it is not so organized as to protect itself against fraud, to search for suitable homes, or to make systematic visitations. Its entire energies and resources are required to maintain the institution itself.

THE MAGNITUDE OF THE PROBLEM IN THE DISTRICT OF COLUMBIA.

The magnitude of the dependent-children problem as it affects the District of Columbia is seen from the fact that at the end of 1896 there were 1,014 children supported wholly or in part by District appropriations. The movement of this population during the year shows that 611 children were received, and 316 were discharged. The record shows that during the same year 166 children were placed in free homes, 138 died, and 177 were restored to their parents or friends. The committee has reason to believe that there is duplication in the figures showing the number of children placed in free homes; and in general it may be said that on account of lack of uniformity in the answers to the questions propounded there is a certain amount of confusion that of itself would call for a systematic supervision over the whole subject.

THE BOARD OF CHILDREN'S GUARDIANS ESTABLISHED.

Before the establishment of the Board of Children's Guardians the District depended entirely on the several institutions for the care of such children as these institutions might admit. This work was begun in the first half of the present century by the Washington Orphan Asylum and St. Vincent's Orphan Asylum. Neither of these institutions has ever been supported by the Government, and both are still doing a large work. In 1892 the Board of Children's Guardians was established, with the object of bringing about in the District of Columbia those reforms in methods of caring for dependent children that had been successfully worked in other communities. Congress in its wisdom, however, never has seen fit to equip the board with some of the agencies essential to success, and appropriations to it have been made under such restrictions as to seriously cripple its work. For example, the board has had no place in which to care for its wards temporarily, and has even been without the power to place children in an institution supported by the Government without the express permission of the authorities of the institution applied to. Again, the amount allowed for placing out and visiting children has been so small that during several months of the past year this portion of the work of necessity has been suspended.

Notwithstanding these drawbacks, the board has cared for feeble-minded and colored children (two classes not welcomed in institutions) and has extended its operations so as to cover all the varied lines of the work. Should the appropriations be withdrawn from every institution in the District the Board of Children's Guardians would be able to care for every child who is legitimately dependent on the public for its support, and the several institutions would then be free to care for those children who, while in no proper sense public dependents, are nevertheless subjects for that charity which churches and benevolent

organizations are accustomed to exercise. Such is the line drawn in many of those States whose systems of aid to public dependents is noted for efficiency and for completeness. In order that resources may be husbanded for proper and adequate care of those really dependent, it has been found to be both prudent and necessary to insist on public control of all children supported at public cost.

THE EXPERIENCE OF MASSACHUSETTS.

The State of Massachusetts has recently had the subject of the organization of charities investigated by a commission, consisting of Messrs. William I. Wharton, Charles I. Folsom, and Davis R. Dewey. After frequent hearings and a thorough examination the commission reported (February 1, 1897) a total of 1,636 juvenile wards of the Commonwealth under the care, custody, and control of the State board of lunacy and charity. The extracts from the report of the commission given below bear upon both the creation of a general supervisory board and also of a board whose peculiar duty it shall be to care for juvenile wards. The work in the District is still so limited as not to require so minute a subdivision of duties as is found necessary in a great State like Massachusetts, so that one general board of charities here may without too much difficulty cover the entire supervisory work, including the supervision of the work of the Board of Children's Guardians.

We believe that it requires no argument [says the Massachusetts report] to show that the same board can not in the nature of things undertake the care of a class of State wards, and likewise occupy a place of independent criticism of its own work in this direction. The only effective supervision is that which is exercised by a board, or by officers who have no part in the duties to be supervised, and the object of supervision—and this is specially applicable to all charitable work—is to inquire into the work done, to suggest improvements, and to correct evils which may be found to exist.

Supervision by a distinct and separate authority of all work done by officers having the care and custody of any class of State wards seems to have been the policy of the Commonwealth, as indicated by the course of legislation. All the State institutions having the care of State paupers and juvenile offenders are governed by boards of trustees, and are subject to the supervision of the State Board of Lunacy and Charity. The three exceptions in this regard seem to be the care and custody of neglected and dependent children and of certain juvenile offenders, of insane paupers boarded in families, and of the Indians who have not acquired settlements in any town in the Commonwealth.

So far back as 1863 Massachusetts provided for a board of charities to investigate and supervise the whole system of public charities and correctional institutions of the Commonwealth, and to recommend such changes and additional provisions as they may deem necessary for the economical and efficient administration of the institutions. This board has full power to transfer pauper inmates from one charitable institution or lunatic hospital to another, and for this purpose to grant admittances and discharges to such pauper inmates. The visiting agent of the board of State charities is charged with the duty of visiting all

the children maintained wholly or in part by the State, or indentured or placed in charge of any person by any State institution, ward, or officer of the Commonwealth.

DEPARTMENT FOR CHILDREN.

We believe that the work of caring for the State children [the Massachusetts report continues] has grown to such proportions that the time has come to recur, in this instance as well as in others where State paupers are cared for, to the old principle of supervision, properly so called, and to create separate departments, one to have the care, custody, and control of the juvenile wards of the State, and the other to exercise supervisory powers in relation to the work performed. We therefore recommend the creation of a department which shall have the care, custody, and control of all the juvenile wards of the Commonwealth who are not in the State almshouse, or the Lyman School for Boys, or the State Industrial School for Girls. We further recommend that such department be subject to the supervision of the State board of charities, as it may be created under the recommendation of this report.

The constitution of this department for the care of juvenile wards of the Commonwealth is a question of some difficulty; but we believe that, in view of the peculiar nature of the work it has to perform, it would be better to place at the head of that department a board of trustees of seven persons, one of whom shall be selected from the board of trustees of the Lyman and Industrial schools, and three of whom at least shall be women. This board would be similar to the other boards having charge of the different charitable institutions and lunatic hospitals of the Commonwealth. The advantage of such a board of trustees, as compared with a single head, are apparent, when it is considered that, in the care of the juvenile wards of the Commonwealth, educational and other questions of much difficulty arise which can be better treated by the combined judgment of several persons, devoted to and interested in that subject, than by the judgment of any one man or woman.

We recommend that all the juvenile wards of the Commonwealth who are now under the control of the trustees of the Lyman and Industrial schools outside the schools shall be placed under the care and custody of the department above suggested, and that in future, when in the judgment of the trustees of the Lyman and Industrial schools any juvenile ward can be better cared for outside the schools, such ward should be placed in the custody and under the control of the said department. In recommending that one of the members of the board of trustees of the above-named schools should likewise be a member of the board of trustees of the department for children we intend that there shall be sympathetic cooperation between the two boards.

The new department might be named the "department for children," and should be intrusted with all the powers and duties relating to the care, custody, and control of children now exercised by and incumbent upon the State board of lunacy and charity, and performed by it through the departments for the indoor and outdoor poor, as organized at present. It should have full power to appoint such agents and subordinate officers as it deems fit, and to fix their compensation, subject to the approval of the governor and council; and to it should be transferred the licensing of boarding houses for infants and the prosecution of cases of violation of the infant-boarding law. Moreover, the agents and other officers of the department should be authorized by law to serve all criminal process in juvenile cases, when requested to do so by the court or magistrate, and also to act as probation officers when requested by the court or magistrate, and should be given the custody of the child during the whole or any part of the term of the probation, and should further be authorized at any time during the period of probation to take the child without warrant and surrender him or her to the court or magistrate by whom the probation is allowed. These last suggestions are made with a view to allow a child to be committed to the

care of the department of children for an indeterminate period thus avoiding the necessity, which has heretofore often occurred, of committing a child guilty of a small offense to one of the State institutions or to the State board of lunacy and charity during his or her minority.

We also recommend that juvenile offenders under 12 years of age, who, as the law stands at present, can not be committed to a jail, house of correction, or to the State workhouse for nonpayment of a fine, may be committed to the care and supervision of the department for children for a term not exceeding thirty days. It is easy to see, as the law stands at present, that such children practically go unpunished, and we believe that supervision such as that suggested might have a desirable effect.

We further recommend that children under 14 years of age, who are held as witnesses should not be committed to a jail, but should be given into the custody of the department for children until such time as he or she is needed to give his or her testimony. This will be the case where a child is unable to furnish bail for examination or trial. (See St. 1882, c. 127, § 2; 1886, c. 101, § 4.)

More good can be done to juvenile offenders by proper intervention at the time when the question first arises of what shall be done with them than at any other period of their career. This question originates before some court or magistrate of the Commonwealth before whom the children are brought, to be disposed of as is thought proper under the law. Great care should be had to have proper officers representing the department for children at every such hearing, in order that they may investigate into the antecedents of each child brought before the court or magistrate, and be able to advise fully as to his or her future disposition.

THE PROBLEM IN INDIANA.

The legislation proposed by the committee follows in all essentials that adopted in the State of New York and that already in force or recommended in the State of Massachusetts. The Indiana Board of State Charities, in their report of October 31, 1896, recommend to the legislature that the children now in the 38 county orphan asylums of that State be placed in suitable homes. The report says:

A very large majority of the children in orphan asylums remain in those institutions several years during the most impressionable period of their lives. During the years when they would most profit from the advantages of real home life they are held in institutions where they can not be taught those principles of industry which are necessary to useful citizenship. Some method should be adopted by the State which would expeditiously and carefully gather up these neglected children and place them into homes of honest and industrious families, where they could and would receive the benefits of the common schools, training in industry, and all the influences which fit a child to mingle with his fellows independently and successfully. To accomplish this the State need not incur heavy expense. It is only necessary to formulate some plan which will embrace the conditions which exist throughout the entire State and which will give the helpless wards of the various communities the assurance of the State that they are to have a fair opportunity in life. It should be constantly borne in mind that no public institution, however efficiently and carefully managed, can give to a child the natural surroundings and conditions necessary to its proper development.

In Minnesota and Michigan, the system of officially taking up children, training them for home life, and then placing them in homes has been carried on for many years with economical and in every way satisfactory results.

DIVISION OF THE WORK.

The care of dependent children naturally divides itself into three parts:

(*a*) The taking up of children.

(*b*) The retention of the children to be supported by the public.

(*c*) The placing out of children.

The taking up of children.—In the District of Columbia, children become a public charge through the intervention of the agent of the Board of Children's Guardians, the agent of the Humane Society, and the various boards of admission to those asylums that receive public moneys. In the case of the Board of Children's Guardians, a judicial investigation is held to determine the question of dependency, the agents of the board merely being used as an instrumentality for bringing to light cases in which authoritative examination is necessary. In the case of the agent of the Humane Society (an officer of the police department detailed for the work of the society but paid by the District), the law under which children are taken up by him provides explicitly for a judicial investigation; but the law is constantly violated.[1] In the hearings before the committee, this testimony was given by the agent of the Humane Society:

Representative PITNEY. What is the system of work of the Humane Society?

Mr. PRATT. Officer Wilson will explain it. He can do it better than I can. We receive nothing from the Government. We are supported entirely by donations, by memberships, and by the fines collected in the police court; that is, in the case of animals. Mr. Wilson is the officer who attends to this work, and he will answer any questions.

Senator MCMILLAN. You are connected with the police force?

Mr. WILSON. Yes, sir. I am a police officer, detailed as agent of the society. Applications are made to me by the parent or guardian of dependent children to obtain admission for their children to the different homes. I investigate the cases and make application to the home for admission.

Representative PITNEY. How long have you been engaged in that work?

Mr. WILSON. I was detailed in 1890. My predecessor, Officer O'Neil, was detailed soon after the passage of the law, in 1885. I think he was detailed in 1886.

Representative PITNEY. Can you give us a statement of just what relation the work of your society bears to the other charitable work, and especially child-caring work, in the District of Columbia?

Mr. WILSON. The class of children with whom we have to deal are usually those of parents who have formerly been in better circumstances and have become reduced, possibly through getting dismissed or not being able to find employment, or something of that sort; and very often the father has deserted the children, or the father is dead. Some of them are complete orphans.

Representative PITNEY. What authority do you have over a child when you get it? Does the law confer authority?

Mr. WILSON. No, sir.

Representative PITNEY. What do you do with a child?

Mr. WILSON. We merely act as an agent for getting it admission into a home.

Representative PITNEY. What home?

[1] See act of February 11, 1885.

Mr. WILSON. Any home.

Representative PITNEY. Into an institution?

Mr. WILSON. Yes, sir.

Representative PITNEY. Do you place children out in private homes?

Mr. WILSON. No, sir.

Representative PITNEY. Not at all?

Mr. WILSON. In some cases we do, but it is seldom.

Representative PITNEY. * * * And now, while you are here, I should like to hear from you a statement as to how you are guided in your action as to the institution in which you put a child, etc. How do you know where to put it? What rules do you follow?

Mr. WILSON. Most of the applicants prefer some particular home.

Representative PITNEY. Most of the applicants prefer it?

Mr. WILSON. Yes, sir; the parents or the guardians prefer some particular home. A great many of them prefer the Industrial School, a good many the Washington City Orphan Asylum, and so on.

Representative PITNEY. What do you do with a child who has no parent or guardian, and who is not old enough to have any discretion about the matter?

Mr. WILSON. I choose the home myself. I make application to some particular home. I have to make application for the admission of a child at the regular board meeting.

Representative PITNEY. What are the expenses of your work?

Mr. WILSON. There is no expense attached to it. I am paid by the Metropolitan police department $90 a month.

Representative PITNEY. * * * This law gives the Humane Society two different branches of work; first, the prevention of cruelty to children; second, the commitment under adjudication of the police court, to an orphan asylum or other public charitable institution.

I do not understand what authority of law you have for this general sort of work which you seem to be carrying on, of picking up children who are proper subjects for commitment to charitable institutions and putting them there.

Mr. WILSON. I do not know that there is any law for it, but we have always thought it was a good work to be engaged in.

Representative NORTHWAY. You have enlarged the statute.

Representative PITNEY. Here there seems to be a police officer detailed for a special work, possibly with the best of motives, but it is a loose way of doing business. * * *

Representative NORTHWAY. Do you take children and dispose of them without consulting the officers of the Humane Society?

Mr. WILSON. The parents come and make application to me.

Representative NORTHWAY. And you dispose of the children without consulting the society at all?

Mr. WILSON. Yes, sir. It would take too long to call a meeting of the board in each case.

In every community where the question of dependent children has been investigated, the root of the difficulty has been found in the desire of the parents to be relieved of the care of their offspring until such time comes as the children may become of an age to be useful about the house. It would be difficult, however, to find another case like that of this District, where the Government itself furnishes the direct agency for violating its own laws and for adding to the public burdens the support in institutions of children who are in no real sense dependent.

During 1896 the agent of the Humane Society turned over to the

Board of Children's Guardians 16 children who were either picked up in the streets or were taken from their parents or guardians on account of ill usage. These children were regularly committed to the board by the courts. Besides these, 134 children were placed in the various asylums, presumbly at the request of their parents. Of this number 33 were taken to the Industrial Home School, 4 to the National Association for Colored Women and Children, and 7 to the Reform School for Boys, where they were maintained wholly at public expense. The remainder were placed in institutions receiving Government aid, excepting 18 that were placed at the Washington Orphan Asylum and 2 at St. Vincent's, institutions privately maintained.[1]

It is probable that many of these were cases of real destitution, and that had the children been taken before the proper court the question of dependency would have been affirmatively settled. But, on the the other hand, it is beyond question that many children handed over to the institutions for temporary care should be maintained by their parents.

The recent experience of New York City is instructive on this point. Under the provisions of the revised constitution the rule was made by the State board of charities that no child shall be retained in any institution wholly or partly under public control, as a public charge, unless accepted as such in writing by the local poor-law authorities, and all such acceptance so made shall become void unless renewed yearly. Under this rule the cases of 8,616 children were investigated, and as a result the department of public charities declined to accept no less than 1,102 children, or about 12 per cent, whose parents were either nonresidents or were able and proper persons to support their children. In the District of Columbia, if only those children who were returned to their parents be reckoned (as not properly dependent—as evidently they were not), the saving from the exclusion of this class would result in a saving of not less than $17,700, or within $2,300 of the annual appropriation for the Board of Children's Guardians.[2]

Again, at each of the ten child-caring institutions, wholly or in part supported at public expense, children are admitted according to rules varying with each institution. Under this system—or lack of system—there can be no uniformity and no proper examination into the condition of the needs of the applicant. Moreover, inasmuch as each institution urges the amount of its work as a measure of the appropriation it should receive there is a constant tendency to increase the number of admissions beyond the resources of the institution. This evil of overcrowding has been adverted to frequently by those who have officially visited the institutions.

The retention of children.—The Board of Children's Guardians makes

[1] Hearings, p. 109.

[2] The number of children returned to parents was 117; the average cost per child per year is taken at $100.

the statement that for the training of white children there is no lack either of institutions or of harmonious action. There is no difficulty in securing admission to an appropriate institution for all white children needing institutional training. The board now utilizes for its purposes the Industrial Home School, the Newsboys' and Children's Aid Society, the German Orphan Asylum, the National Association for the Relief of Destitute Colored Women and Children, and perhaps other like institutions. Payment is made for each inmate placed by the board. During 1896 the Industrial Home School received from this source $1,447.15; the National Association for Colored Women and Children, $1,425.67; the German Orphan Asylum, $74.19; and the Newsboys' and Children's Aid Society, $1,682.55. These institutions are utilized only for the temporary care of children until they can be placed in homes; and inasmuch as there is now competition among the institutions for the care of the white wards of the board no new institution is necessary for this class.

In regard to the children in institutions wholly or partly supported by the Government, the same rule should be adopted as is fixed in the New York constitution, namely, that no person shall be admitted to or maintained in an institution at public expense, without the express written consent of some competent public authority.

The question of disposing of the colored children is another and a more serious matter. For them there is practically but one institution—the National Association for Colored Women and Children. The highest number of persons this asylum can accommodate is 103, and the number of children is limited to 90. The association has a long and honorable history, and it is managed by devoted women who have maintained it at once as an asylum for the aged and a training school for the young. Undoubtedly there is need for expansion along both of these lines, and the contention of the management is not an unreasonable one when they object to the incoming of the wards of the Board of Childrens' Guardians who come from the alleys and the slums and threaten to demoralize the orphans admitted at an early age by the managers and kept for several years of training before they are allowed to go into homes or to find situations. With suitable rules for the admission and dismission of children, and an adequate system of visiting of children placed in homes, this institution may well be left to continue its good work among that portion of the people who most need care and attention.

The really dependent colored children are of quite another sort. They have been aptly described to the committee, as follows:

The colored children are now here in force. There is no prospect that they will cease to arrive. Alarming numbers of them are practically homeless. Speaking broadly of those homeless children, it will not be far from the truth to say that their fathers are unknown. Their mothers are performing the exacting duties pertaining to domestic service, and carrying to their alley homes each night such articles of food as are given them or will not be missed from the kitchens of their employers. The children are usually locked in the home while the mother goes out

to work. In time they learn the use of the windows as means of egress and ingress, and they substitute the street for the house. Later they repair in squads to the ash dumps for cinders, and these becoming exhausted, they attack coal yards and carts. Presently they learn of the possible association of an old tin can and a beer keg set on the curb not quite empty. They learn the name and address of the man around the corner who keeps late hours and who buys suspicious-looking property and never asks your name. Crowded out of the public schools and destitute of clothing sufficient to make it possible for them to appear in company, they sun themselves against a brick wall, gamble, smoke, plan minor crimes, and idle away their days, swiftly qualifying for that inevitable game with the police in which the artful dodger for a time succeeds, but is very apt to eventually land in the penitentiary.

If the children of to-day are to be made fit for the performance of civic duties hereafter, we can not begin with them any too soon. Just in proportion to our neglect of them now will be the smart of them hereafter.

It is this class to whom society owes a very large amount of attention, both for the sake of the children and for its own sake. The charter of the National Association for Colored Women and Children provides for the operation of a farm; but this provision has never been utilized to cover more than a garden. The Board of Children's Guardians, however, has recently secured a farm on the Potomac, near Fort Washington, and have there begun in part to duplicate for the dependent colored the same work that is being done for the incorrigibles at the Boys' Reform School. If the undertaking shall be successful, the most difficult problem in all the work of child caring in the District will be solved. The white child, as a rule, requires but a short preliminary training to fit him for a free home. The colored dependent, on the other hand, has much to learn before anyone who is fitted to care for him will be willing to take him.

Home finding.—Every child-caring association that makes known widely its desire to place out children has applications for white children numerous enough to enable it to reject the undesirable, so that the supply of good homes exceeds the demand. Any organization, therefore, that can furnish white children so trained as to make them desirable need have no difficulty in disposing of them. With the colored children the task of finding good homes is more difficult, and it is necessary to go farther away. The main difficulty in this case, however, is the want of training for the children. Properly trained, the colored child also becomes desirable.

The economy of finding homes for children is seen from the fact that the annual expense per child for visitation and inspection in a home does not exceed $20 a year, whereas the average expense of maintaining a child in an institution is $113 per annum. From the establishment of the Board of Children's Guardians the work of placing children in homes has been carried on, and in 1896, although the number of children committed to the board was 93, the total number being maintained by the board rose only from 103 to 109, the others having been placed in free homes.

The result of this legislation would be to ascertain just what children are properly public charges and to make adequate provision for all such. At the same time the various institutions supported by private contributions would be relieved from the responsibility and the expense of taking care of the least desirable children, and could devote their entire energies to relieving the temporary necessities of orphans and half orphans whom the several boards of admission might see fit to take in. In this way the line would be drawn clearly between public and private charity.

The agent of the Humane Society testified that the reason why parents were not willing to trust their children to the Board of Children's Guardians was that they could never afterwards claim them. There is, unfortunately, another side to this matter. It has too frequently been the case that children placed in asylums at the whim or caprice of the parents are taken back to homes of want and to the same vicious surroundings from which they had been rescued. The managers of the institutions having obtained no legal hold on the child, can not refuse to return it to the parent, no matter how well known the unfitness of the parent is. Illustrations of this saddest of all conditions have happened in connection with all but one of the institutions in the District, and the Industrial Home School has frequently protested against the necessity of such surrenders.[1] The only safe rule would appear to be to have the support and control go hand in hand.

The reason given why parents are unwilling to intrust their children to the Board of Children's Guardians is that when once the children have been committed to the board they can not be recovered by the parents. Theoretically the same is true of the asylum, for all the charters of these institutions provide for the absolute control of the child. It was never contemplated that the institutions were to be used as temporary receptacles, at the convenience of parents. There is here, however, a real difficulty that should be met. As the law now stands the investigation of the status of children must be made in the police court, often not at all the proper place for such an examination. The law should be enlarged to include the orphans' court. The committee therefore recommends that:

All children under 16 years of age who are hereafter found abused, abandoned, neglected, morally exposed, or in a condition of want and suffering in the District of Columbia, and for whom no other relief is offered, be committed to the guardianship of the board of children's guardians during minority. That such commitments be made by the police court or the supreme court of the District of Columbia holding sessions for orphans' court business, and that such courts be empowered to make, modify, and revoke orders for contributions toward the maintenance of such children by parents, and to enforce such orders.

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[1] Hearings, p. 152.

This proposed legislation has been embodied in the bill, S. 1079, as follows:

[S. 1079, Fifty-fifth Congress, first session.]

A BILL to provide for the compulsory support of children by parents in the District of Columbia, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any person within the District of Columbia who, being the parent or having the custody of any child under the age of fourteen years, shall willfully make any false and fraudulent pretense regarding such child for the purpose of inducing another to assume the care and maintenance of such child, or who shall willfully or unnecessarily refuse or neglect to provide for any child under the age of fourteen years, of which he or she shall be the parent or guardian, such food, clothing, and shelter as will prevent the suffering and secure the safety of such child, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be subject to punishment by a fine of not more than one hundred dollars or by imprisonment in the workhouse of the District of Columbia for not more than three months, or both such fine and imprisonment.

SEC. 2. That whenever petition shall have been filed in either of the courts of the District of Columbia authorized to commit children to the care, custody, and guardianship of the Board of Children's Guardians for such commitment of any child, and, upon the hearing of such petition before either of said courts, it shall appear, from competent testimony and from an examination of the child, to the satisfaction of the court that such child is entitled to be committed as aforesaid under or by virtue of any of the provisions of the act of Congress approved July twenty-sixth, eighteen hundred and ninety-two, entitled "An act to provide for the care of dependent children in the District of Columbia and to create a Board of Children's Guardians;" and it shall further appear that such child has a father or a mother, either of whom is able to contribute to the support of such child, either by reason of having means or property, or having an income consisting of wages or salary due for personal services or labor or otherwise, said court may commit such child to the care, custody, and guardianship of the Board of Children's Guardians, and may, further, order the father or the mother of such child, or both such father and mother, to contribute by stated payments, to be made to said Board of Children's Guardians, toward the support of such child such sum or sums, monthly, weekly, or otherwise, as in the judgment of said court either or both such father and mother should and may be able to pay.

SEC. 3. That at any time after the commitment of any child to the guardianship of the Board of Children's Guardians of the District of Columbia the said board may apply to the court before which such commitment shall have taken place for an order for contribution toward maintenance by any parent of a child committed as aforesaid, or for an order reducing or increasing the amount payable under any order previously made; and in like manner any parent or guardian may apply for an additional order reducing the amount payable under any order previously made, or revoking such order, or varying or suspending, in whole or in part, the operation of the same; and the courts of the District of Columbia, which have heretofore been or which may hereafter be authorized to commit children to the guardianship of the Board of Children's Guardians, are hereby empowered to make, modify, and revoke orders for contribution toward maintenance as herein provided for.

SEC. 4. That any person against whom an order for contribution toward maintenance may have been made, as provided for in this act, who shall refuse or neglect to make such payments as ordered shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be sentenced to suffer imprisonment in the workhouse of the District of Columbia for not less than three months nor more than one year: *Provided, however,* That if, after such conviction, any such parent shall appear before the court before which such conviction shall have taken place and shall show to the satisfaction of the court that the amount due under such order, up to the time of

conviction, has been paid, and further, with good and sufficient surety, to be approved by said court, shall enter into bond to the United States in the penal sum of five hundred dollars, conditioned that he will thereafter pay such sums as may have been ordered until such order shall be revoked, the said court may suspend sentence therein during the continuance of such bond.

SEC. 5. That if any person against whom an order for contribution toward maintenance shall have been made as provided for in this act shall leave the District of Columbia, and shall thereupon disobey such order, such person shall be deemed to be a fugitive from justice, and shall be returnable under provisions heretofore made, or which may hereafter be made, for the return of fugitives from justice.

SEC. 6. That the disbursing officer of the Board of Children's Guardians shall receive and shall be responsible under his bond for all moneys paid to said board under the provisions of this act, and shall pay the amounts so received by him into the Treasury of the United States within twenty days after the close of each fiscal quarter.

SEC. 7. That any person who shall lead, take, or entice away, or attempt to lead, take, or entice away, from the institution or private home wherein it may have been placed by the Board of Children's Guardians, any child duly committed to the care, custody, and guardianship of said board, or shall harbor or conceal, or aid in harboring or concealing any such child who shall have absconded from any such home or institution without the knowledge and consent of said board, shall, upon conviction thereof in the police court of the District of Columbia, be deemed guilty of a misdemeanor, and shall be subject to a fine of not less than ten nor more than one hundred dollars, to be recovered as in the case of other fines imposed by said court.

Any police officer in the District of Columbia shall have power, and it is hereby made his duty, to arrest, without warrant, any child who shall have absconded from any institution or family home in which he may have been placed by the Board of Children's Guardians, and to restore such child to the custody of the board.

SEC. 8. That all acts or parts of acts inconsistent with the provisions of this act are hereby repealed.

It so happens, however, that because the board is limited to $4,000 a year for all administrative expenses it has been compelled to suspend the work of placing out children and is compelled to maintain them at an annual expense per capita of $113, instead of $16.99 (the cost of supervision). In other words, because of an unintelligent division of the appropriation the board is compelled to waste money.

This work of personal inspection of the children placed out is essential to proper care of the children; and wherever the system has been adopted its success has been found to depend on the thoroughness with which those receiving children have been held to a strict accountability. No promises, no investigation, no form of contract or indenture has been found to take the place of personal inspection of the home and conversation with the children apart from their foster parents.

The committee therefore recommends that:

In future appropriations for the work of the Board of Children's Guardians the expense of visitation and inspection be included with the amount for maintenance.

THE CARE OF FOUNDLINGS.

From the testimony before the committee it appears that foundlings are cared for by the Washington Hospital for Foundlings, by St. Ann's Infant Asylum, and by the Board of Children's Guardians. The Wash-

ington Hospital for Foundlings has been in operation about ten years, during which time it has had 538 inmates and has placed 108 children in families. The number admitted during 1896 was 66 and the number of deaths was 70. The asylum admits only white children, and no child remains in the institution more than six years, the majority of them being adopted between the ages of 2 and 3 years. On being questioned as to the apparent high rate of mortality, the representative of the asylum stated that the mortality amounts to about 70 per cent of the total number received, which, he claimed, was a low rate for a foundling asylum; in many it ranges up to 90 per cent[1].

According to the testimony the hospital authorities maintain that "the great good done by the hospital is in the adoption of the children." The adoption committee, made up of three members of the board of trustees, allow persons to come to the hospital and select a child to adopt. Inquiry is made as to the character of the applicants, and if the result is satisfactory the indenture follows. Out of the 108 children adopted the authorities know of but two instances where the child was ill used. Some of the children find homes as far away as Kansas. Not knowing who are the parents of the children, the hospital authorities have no means of knowing whether or not the children are restored to their parents, and there being no system of visitation there is of course no definite knowledge as to the welfare of the adopted children. It was claimed that the foundling hospital as thus conducted was a necessary adjunct of the State, for the reason that it prevents infanticide.

St. Ann's Infant Asylum takes children up to the age of 6 years It receives both white and colored children, and receives children left at the door in baskets, and also those brought by the police. During 1896 the daily average number of children cared for was 128, and percentage of deaths was 56.25. In the testimony of Dr. Bovee it is stated that at St. Ann's about 35 per cent of the deaths are of children under 1 month, and about 50 per cent are of children from 2 to 9 months.[2] "They usually die in the first few months, or in summer time, from diseases peculiar to the weather. Another thing," Dr. Bovee continues, "you know in these institutions you can not give a child any food so strengthening and healthy as a mother's breast milk. It is pretty hard to get a valuable substitute for breast milk, and in these institutions they have to be fed with artificial food, though they do get wet nurses and put children out in the heated term with wet nurses, and to that is particularly attributed the small mortality they have."

"Then, as to visiting children," says Dr. Bovee, "that is limited of course to the children who have been placed out with nurses, and they are visited two or three times a week. If they are not doing well, they are taken away from the woman who has charge of them. They have,

[1] Hearings, p. 123. [2] Hearings, p. 129.

so far as they can, the physicians of the hospital go out to see the children when they become sick."

The Board of Children's Guardian's during 1896 cared for 52 children under 2 years of age, of whom but 14 died. That is to say, where the Washington Foundling Asylum lost 218.75 per cent of the daily average of inmates, and St. Ann's lost 56.25 per cent, the Board of Children's Guardians lost but 35.9 per cent. It is maintained by those who favor the asylum system that the difference in mortality rates is accounted for by the fact that the Board of Children's Guardians come into the possession of children who have reached the age of 2 or 3 months or more, and hence are past the age of greatest mortality. To this it is answered that the figures for the Board are limited to children under 2 years, while those for the hospitals cover children up to the age of 6 years; and also that five-sixths of the wards of the board are colored children, the annual death rate among whom in Washington is 13.86 as against 5.74 among white children under the age of 5 years.

The closer the matter is studied the stronger the argument becomes that the plan adopted by the Board of Children's Guardians of placing children in homes with nurses results in a diminished mortality. This opinion finds support in Dr. Bovee's statement, quoted above, that the low rate of mortality at St. Ann's as compared with the Washington Hospital for Foundlings is to be found in the extent to which the St. Ann's children are placed out with nurses. The difference between the rate at St. Ann's and with the board is doubtless due largely to the fact that the board keeps no children in an institution. Dr. Bovee's explanation and that of the board seem to agree, and experience in other communities is in favor of the boarding-out plan.

Another consideration is the fact that the rapid growth of Washington, the hot streets, and the bad air of a city in the summer time causes great suffering among children in institutions, and strong appeals are put forth to obtain from charitable people money to supply summer homes for the little ones. There are already several of these summer annexes to asylums, and there is a strong demand for several others; so that no city hospital for children is complete without its country home.

The experience of the Massachusetts State Board of Lunacy and Charity confirms the results reached by the Board of Children's Guardians. In Massachusetts during 1896, 768 children were boarded out with hired nurses, medical attendance being furnished, and of this number 154, or 20.05 per cent, died. In South Australia the same system results in a death rate of but 15.62 per cent. And yet the testimony of the officers of the Washington Hospital for Foundlings is that 90 per cent is not an unusual average for the institution, and that 70 per cent is low.

Another point brought out in the testimony has a distinctly moral bearing. At the Washington Hospital for Foundlings there is as a rule no knowledge of the parents, and seemingly as a matter of policy no attempt is made to discover the parentage. At St. Ann's, according to the testimony of Mr. M. I. Weller,[1] the Sisters are perfectly cognizant of the parentage of one-half the children. Indeed, many of the children were half orphans, temporarily placed in the asylum. This statement is confirmed by the report of the asylum, which shows that in 1896 no fewer than 50 children were returned to their parents or friends. The Board of Children's Guardians causes an official examination to be made with the idea of discovering the parents of the children, with a view to make them provide for their offspring if possible.

In other cities, notably in New York, Philadelphia, Chicago, Boston, and Buffalo, the work for foundlings has received a new direction and an enlarged scope by including the mother with the child. It happens often in Washington that girls come here from the country to be delivered of their children in a hospital; the mother and child are turned from that shelter after a stay of three weeks; the child is abandoned on the door of a foundling asylum, and the woman goes back to come again. The theory of the foundling asylum is that secrecy gives the woman a better chance for future right living. In the cities above mentioned, the new movement is based upon the idea that the best way both to save the life of the child and to restore the mother to ways of right living is by obtaining work for the mother in a home where she will be allowed to keep the child. So far as the committee can ascertain, there is no organized effort in the District to carry on this kind of work, and in this respect this community is neglecting a most productive field for good.[2]

In view of experience in this class of work elsewhere the committee believe that the best solution of the problem is to be found in a system that will enable the mother and the child to find a home together. This result is difficult, but not impossible, to attain. The report of the New York State Charities Aid Association for 1896 shows that:

> During the past year, 297 situations have been provided for homeless mothers with their babies, as against 277 situations provided in 1895 and 185 in 1894, making the total number of situations provided by the agency since its establishment 759. The number of new cases received by the agency and, after an investigation of their circumstances, provided with situations during the year was 142. At the beginning of the year there were under our supervision 163 women (with their babies) who had already been provided with situations. These, with those who have since been provided for, make a total of 310 mothers and 310 children under our supervision during the year. No mother has died, and of the 310 children, only 3 have died; a mortality rate of a little less than 1 per cent.

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[1] Hearings, p. 148.

[2] This statement is made with a knowledge of the fact that the Florence Crittenton Hope and Help Mission aims to keep the mother and child together, and that the Woman's Christian Association receives women with their children.

The total cost of maintaining the agency during the year was $1,871.21, being an average cost of $6.03 for each of the 310 mothers and their babies under our supervision during the year. The expense to the city of supporting a mother and child in an institution varies from $354 to $380 per year, and a very large proportion of the women placed by us could, under the legislation and customs which prevailed until very recently, have been supported with their children as public dependents. The economic value of this agency is thus apparent.

The women were received from the New York Infant Asylum, the Department of Public Charities, the Nursery and Child's Hospital, and from various like institutions. Of the 142 new cases provided for during the year, 36 were young unmarried women with their first children, and were greatly in need of care and protection. The others were destitute widows and deserted wives. Of the children, 62 were less than a year old, 39 between 1 and 2 years of age, and 41 were more than 2 years old. Of the 297 situations, 200 were in the State of New York, 86 in New Jersey, 10 in Connecticut, and 1 in Vermont.

The report continues:

At the beginning of the year there were under supervision 163 women, with their babies, who had already been provided with situations; these, with those who have since been provided for, make a total of 310 mothers and 310 children under supervision during the year.

No mother has died, and of the 310 children only 3 have died—an unusually low mortality rate—a little less than 1 per cent.

The results of our work for these mothers and babies are as varied as are the circumstances and histories of those who seek our assistance. The primary object of the work is to strengthen the tie between the mother and the child, thereby preventing either from becoming a public charge, saving, in many cases, the life of the child, and protecting the mother from the irreparable injury that would follow the abandonment of her child.

From all these points of view, the results of the work of the past three years must be pronounced extremely encouraging. In cases of deserted wives and women whose husbands were temporarily out of employment, we have often tided them over periods of temporary difficulty, and they have been able later to return to their parents, relatives, or husbands. In these cases temporary help was the best help possible and prevented in many cases the children from becoming permanent public charges. It is found in nearly all cases that giving the mother this opportunity of caring for her child the first year or two of its life results in her keeping it permanently, though not always in a situation under our supervision. The larger the number of women who thus become able to support themselves and their children under normal conditions, and without the assistance of any charitable institution, the better is the work.

HOMES FOR THE AGED.

The support of the aged in the District of Columbia, aside from that done at the Washington Asylum, has been carried on mainly as private charities. The Louise Home, established by the late W. W. Corcoran, and amply endowed by him, is undoubtedly one of the finest institutions of the kind in the United States. Up to the limit of its capacity—about fifty persons—the home freely makes ample provision for every

necessity of the inmates excepting the item of clothing. The Methodist Episcopal Church, the Baptist Church, and probably other churches, have homes for the aged, which are supported as private benevolences. The Roman Catholic Church maintains the Home for the Aged, which occupies property valued at $260,000, of which sum $55,000 came from Congressional appropriations. No appropriations have been made for the past thirteen years. The Bruen Home, established in 1896, does a small work, involving an expense of less than $1,000 a year, the support being drawn from private sources. The Aged Woman's Home reports a cost of maintenance for 1896 of $762, of which sum $300 came from Congressional appropriations. The National Association for Destitute Colored Women and Children provide for about ten aged persons, and the Woman's Christian Association offers accommodations to about the same number. In the case of the latter institution, an entrance fee of $100 is required. Both of the latter institutions are largely supported by the District.

In view of the very limited amount of the work done by Government-aided institutions and the questionable policy of providing accommodations for the few, while the many are compelled to seek the asylum, the committee recommends that—

No appropriations shall be made for homes for the aged, nor shall any institution receiving public aid admit aged persons; and the board of charities, if created, shall make an examination into the cases of all such aged persons as may now be in institutions supported wholly or in part at public expense, with the view of ascertaining whether such persons, if properly public charges, may not be removed to the asylum.

WORK AMONG WOMEN.

THE WOMEN'S CHRISTIAN ASSOCIATION.

The Women's Christian Association was organized in 1869 and occupies property valued at $53,600, of which sum $29,138.33 came from the District or the Government treasury. During the year 1896 the institution received $4,000 from Congressional appropriations, $50 from its endowment fund, $2,616.08 from boarders, and only $531.76 from private sources. Practically, therefore, the institution is supported by the District.

The work of the association includes the care of the aged, of women temporarily out of work, the care of fallen women, and the care of infants. Six old women, by the payment of $100 each, have been received for life. Three hundred and eighty-five adults and 21 infants were received during the year. The same number of adults and 19 of the infants were discharged during the year, leaving as the population of the institution on January 1, 1897, 56 adults and 6 infants. Woman who need a temporary home after being in a hospital or while seeking temporary employment, also women who come to Washington after a

pension or in the hope of obtaining a Government position, are maintained for a time and sometimes are assisted to return to their friends.

Working women who earn less than enough for a living are provided with a home, and from 8 to 10 women who have committed offenses against chastity are sheltered in the Home and have employment given them until they are ready to go out into the world. All those who earn anything are called upon to pay sums varying from $4 to $15 per month. During 1896, 5,692 free lodgings and 16,874 free meals were given to needy women. Employment was found for 84 persons as childrens' nurses, waitresses, housekeepers, or cooks. During the twenty-six years of its existence the Home has sheltered upward of 6,000.

Another branch of the work which does not appear in the reports of the committee, but is mentioned in the twenty-seventh annual report, is that of outdoor aid rendered during 1896 to the amount of $300 from the association funds. During that year 250 families were aided by gifts of food, fuel, and clothing. Homes were found for 4 children and employment was found for 13 persons.

While the committee has no doubts as to the benefits of the work done by the management of the home, yet we feel called upon to suggest that the field covered is entirely too broad for any one institution to manage. The committee therefore recommends that—

The work for the aged be discontinued; that the outdoor relief be turned over to the Associated Charities, leaving to the Home its more legitimate task of providing temporary accommodation for those in need of such service.

It would seem, also, that work of this kind should so commend itself to the charitably disposed that, with the plant it already has, the Home need not call upon Congress for so large an appropriation as it has been receiving.

More than this, full reports of all the receptions and dismissions should be made to the board of charities, so that the practice of women in seeking refuge in one home after another at public expense may be checked. The committee also doubts the advisability of the association undertaking work among fallen women, in view of the fact that there are so many other institutions designed especially for this class of work.

THE YOUNG WOMEN'S CHRISTIAN HOME.

This institution occupies lands and buildings valued at $10,000, the gift of Miss Kibby, to be used for charitable purposes. The work of the institution is to furnish homes for young women of good moral character who need assistance. The income from Congressional appropriations during 1896 was $1,000, from the boarding department $2,901.23, and from private sources $621.21.

The committee can see no good reason why the work of the Young Women's Christian Home and that of the Women's Christian Associa-

tion could not profitably be consolidated, and we therefore recommend that no further appropriations be made for this institution.

NATIONAL FLORENCE CRITTENTON HOPE AND HELP MISSION.

This institution was organized in 1888, and occupies a property to the value of about $18,000. This institution seeks an appropriation of $5,000 toward the purchase of the property occupied. The institution is one of a series of like missions which have been established in different parts of the country for the purpose of affording a refuge for women, and during the past year the Washington Mission admitted 397 such. It received $1,000 from Congressional appropriations and $2,969.23 from private sources.

Some system should be adopted whereby the cases may be investigated by competent authority, and such of the inmates of the homes as may be found to be properly public charges be paid for at a specific rate—all admissions and dismissions to be regulated according to rules to be adopted by the board of charities, if such a board shall be established.

WORK AMONG MEN.

In 1878 the Night Lodging House Association was incorporated, and until 1892 this association maintained a temporary refuge for men who are out of employment—practically for the accommodation of tramps. In 1892 the association was reorganized as the Municipal Night Lodging House, the property owned by the Night Lodging House Association being taken by the Government, which thenceforth assumed the entire support of the institution, at an annual expense of $4,000. The property is still owned by the Municipal Night Lodging House Association, and it is in very bad condition.

The institution has lodging for 72 people, but has maintained as many as 91 in stormy weather by letting the inmates sleep on the floor. In winter the average number of inmates is from 40 to 60; in mild weather the average is about 14 a day. Lodging is provided for the men, not to exceed three days in any one quarter. About one-third of the men are what are known as "good men;" the others are men who do not or will not work, except when they are compelled to do so by starvation. Inmates saw and split wood in payment for food and lodging unless incapacitated by infirmity or illness. Tramps who refuse to work are treated as vagrants and sent to the workhouse. The need of an institution of this kind is recognized in all cities, and as a matter of protection to the community the institution performs a valuable service.

The committee, therefore, recommends that steps be taken to secure the title to the land and buildings, and that an appropriation be made to provide such repairs and such provision for cleanliness as may be necessary to put the institution in good condition, or, what would be better, that the

property be sold and a more available site purchased. It is not necessary to expand this work, for the reason that the Central Union Mission, a private institution, provides for the same class of dependents.

MEDICAL CHARITIES.

A statement at once comprehensive and definite in regard to the medical charities of the District of Columbia appears as Appendix A of this report. The committee requested Dr. Henry M. Hurd, the superintendent of the Johns Hopkins Hospital, at Baltimore, Md., and Dr. John B. Chapin, in charge of the department for the insane at the Pennsylvania Hospital, Philadelphia, Pa., to inspect the District hospitals and to make a report thereon. They made two visits to Washington, visited each of the hospitals mentioned in their report, made a thorough examination of all portions of each hospital, talked with the persons in charge of the hospitals, studied the reports in the hearings before this committee, and united in recommendations which may be found in detail below. Both doctors have been unusually successful administrators in the field of hospital management, and the committee can not commend too highly the painstaking, lucid, and impartial consideration they have given to the intricate and perplexing problems with which they were called upon to deal. While it is too much to expect that each of their recommendations can be put into immediate effect, this committee believes that until the general system proposed by them shall be carried out the medical charities of the District will continue to be at once extravagant and inadequate, furnishing care to the people from other portions of the country and to those who are able to pay for treatment, while at the same time the really needy are shut out.

Doctors Hurd and Chapin advocate for the medical charities the same general system that this committee recommend for all District charities, namely, a board of charities with power over admissions and dismissions. Indeed, in no other way can the medical charities reach the persons for whom they are intended.

The doctors also call attention to a matter that for many years has been a standing disgrace to the District of Columbia—the want of suitable provisions for the treatment of the milder contagious diseases. Hitherto a mixture of greed and ignorant fear has been effective in preventing the establishment of isolating buildings for the treatment of such cases in connection with several of the general hospitals. For the want of such provision lives are being sacrificed and disease is being spread throughout the District. Hospitals are drawing annually tens of thousands of dollars from the District treasury, and at the same time absolutely refuse to make reasonable provision for the treatment of those diseases which, as every medical man knows, can be treated, not only with the greatest success in hospital, but with absolutely no

danger either to the health of the neighborhood or to the value of the surrounding real estate. The time has come when common humanity demands that appropriations be made contingent on the hospitals supplying accommodations so imperatively demanded by the community and for which Congress has already provided the money.

FREEDMEN'S HOSPITAL.

Unquestionably the ordinary hospital accommodations of Washington are in excess of any legitimate demand, and the appropriations made for the support of such institutions are more than sufficient to provide for the really poor and destitute; and yet, since this committee was appointed two or three hospitals have been organized, and one hospital has been closed because the person who provided the building neglected to provide funds for maintaining the institution. In view of these facts, a reorganization in hospital work may safely be made at this time without creating any suffering.

The work of reorganization should begin with the Freedmen's Hospital. This institution, occupying a site and a class of buildings entirely unsuited to hospital work, is supported by the District of Columbia and is managed nominally by the Secretary of the Interior. As a matter of fact, there is no management worthy of the name; and it certainly speaks well for the honesty of those immediately in charge of the institution that Congress has not oftener been called on to investigate its affairs. The surgeon in charge has no power over the admissions or dismissions of inmates. He must take in all who bring orders from the Interior Department, where no adequate examination is made into the merits of the cases. He also receives persons sent by the physicians to the poor and those who apply in person. Although established and ostensibly maintained for the benefit of the colored people, about one-third of the hospital population are white, and a very considerable proportion of the entire number are legitimate patients for an inebriate asylum. Patients known to be perfectly able to pay for their accommodations are received and cared for at the expense of the District, and there is now no way of preventing this state of affairs.

Added to these considerations is the fact that the hospital is unduly expensive. Although the hospital furnishes the means of medical instruction for the medical department of Howard University, the hospital pays to the university an annual rental of $4,000 a year for ground rent and for a portion of one building. The total expenses of the institution are $54,000 a year, a sum grossly disproportionate to the amount of medical and surgical work actually done at the hospital.

After an extended and careful consideration of the matter, the committee recommend that the entire plant, such as it is, be turned over to the trustees of Howard University, and that the appropriation be reduced to an amount not exceeding $30,000, to be paid for the care and

treatment of a specific number of patients according to a contract to be entered into between the said trustees and the Commissioners of the District of Columbia. The committee make these recommendations in the full belief that when the admissions and dismissions shall be properly guarded the sum named will enable the hospital authorities to furnish care and treatment of a kind vastly superior to that at present furnished to the great majority of the patients. Also by placing the trustees of the Howard University in charge of the institution provision can be made for pay patients and in this way both the income and the benefits of the hospital can be extended legitimately, and also the dual management, that is now no management, can be ended. Moreover, when the Freedmen's Hospital shall be reduced to its proper work, it will be found, doubtless, that the trustees of Howard University can dispose of the lands now owned by them and occupied by the hospital, and with the proceeds can erect on their university grounds, or near by, modern hospital buildings of sufficient size and of such a character as to care for the needy poor of the colored race who seek a hospital managed by people of their own race. In this connection it should be remembered that as a rule the other hospitals in the District admit colored people.

THE ASYLUM HOSPITAL.

The hospital operated in connection with the Washington Asylum has far outgrown the uses for which it was intended. It has become a municipal hospital, and it is the only hospital to-day that is really under municipal control in the sense that persons can be sent to it by the municipal authorities with a certainty that they will be received. It is located in a situation where the patients have to suffer not only from the diseases they have when they enter, but also from the malaria created by the exhalations from the Anacostia flats on the one side and from the James Creek Canal on the other.

Moreover, the hospital draws its supplies from the asylum—that is, from the poorhouse—and while the committee does not doubt that the intendant is disposed to furnish the patients the diet and other necessaries needed by the sick, yet the fact remains that those persons who are so unfortunate as to be consigned to its ill-adapted pavilions are deprived of those advantages of nursing and maintenance to which the needy sick are justly entitled.

The committee therefore recommend that the management of the asylum hospital be divorced absolutely from that of the asylum proper; that a superintendent and two resident physicians of the hospital be employed, and that a staff of physicians be secured on the same basis that other hospitals secure their staffs.

The work now done at the asylum hospital and that done at Columbia Hospital might well be combined in one institution but in separate buildings; and thus a duplication of agencies might be done away with.

COLUMBIA HOSPITAL.

Columbia Hospital needs a complete reorganization. The main building was formerly a residence, and was never adapted to hospital purposes. The pavilion, where most of the hospital work is done, is a slight wooden structure of no particular value. The ground occupied by the hospital is very valuable. It might be sold advantageously, and the proceeds might well be applied to the purchase of a less expensive site and the erection of modern hospital buildings. The nature of the cases treated is such that a site in the suburbs, but near some rapid transit street railway line, would answer every purpose.

In this connection the committee would call attention to the fact that of the patients treated at Columbia Hospital in 1896, 125 came from Virginia, 30 from Maryland, and 506 from the District of Columbia. The committee submits that it is no part of the duty of the taxpayers of the District of Columbia to support a hospital for the benefit of the taxpayers of the adjacent States. How great this burden is may be seen from the fact that, according to the statement of the superintendent of charities for the quarter ending December 31, 1897, the average number of patients at Columbia Hospital was 45.33, while the average number of employees and others was 53.95; the total days' maintenance furnished patients was 4,170, while the total days' maintenance furnished employees and others was 4,864.

At the time Columbia Hospital was started there was an undoubted need for a hospital for the treatment of diseases peculiar to women, but at the present time it may well be questioned whether there is any necessity for anything beyond a maternity hospital. Should such a separation be made in the work, the troublesome question of pay patients in a purely municipal institution would be disposed of; the charity maternity cases from the various hospitals could be gathered into one institution, and the gynecological cases could be treated in the regular hospitals, at the cost of the patient where the patient is able to pay, and otherwise at the expense of the District.

In making these recommendations the committee can not ignore the fact that ever since its establishment, in 1866, Columbia Hospital has been the object of more or less severe criticism; that there have been numerous and radical changes in the management; and that for no long period has there been harmony in the board of trustees.

APPENDIX A.

Report on the hospitals of the District of Columbia, by Dr. Henry M. Hurd, superintendent of the Johns Hopkins Hospital at Baltimore, Md., and Dr. John B. Chapin, physician in chief and superintendent of the department for the insane of the Pennsylvania Hospital at Philadelphia, Pa.

WASHINGTON, *November 24, 1897.*

To the Joint Select Committee to Investigate the Charities and Reformatory Institutions in the District of Columbia.

GENTLEMEN: In compliance with the instructions contained in the letter of your chairman, in which we were asked to examine into and to report upon the condition of the hospitals of the District of Columbia, with special reference to their "organization, equipment, expense, the relations of pay patients, the limits of charity, and methods of admission," we beg leave to submit the following report:

In the performance of the duty assigned to us, we have visited the following-named hospitals, and have carefully examined into their present condition, to wit: The asylum and almshouse hospital; the Children's Hospital; the Columbia Hospital for Women and Lying-in Asylum; the Central Dispensary and Emergency Hospital; the Freedmen's Hospital; the Garfield Memorial Hospital; the National Homeopathic Hospital, and the Home for Incurables. We have also read carefully, in addition, the details of the hearings before your committee, and have examined the financial statements appended to the same. We have been afforded every facility for a thorough examination by the officers of all these hospitals, and have received many suggestions from them as to the needs of the various hospitals under their care. The officers of all, without exception, have displayed an excellent spirit of cooperation, and have seemed most anxious to do everything in their power to promote the object of the inquiry. These hospitals all have high ideals of excellence, and are striving to do good work. Their managers and boards of trustees are actuated by a spirit of true philanthropy, and are devoting their time and means without hope of material reward to the service of the destitute, the sick, and the suffering.

The following is a detailed account of the condition of each hospital visited and such findings and conclusions as have been reached:

1. The Providence Hospital.—The condition of the Providence Hospital is excellent. Every part is clean and orderly. The furnishing is appropriate and attractive. The hospital is well equipped to meet the needs

of medical and surgical emergency cases. The plans, while fully in accord with the best medical requirements of the date when they were prepared, may be materially improved in any additions which may hereafter be made. The nursing and administrative services are of a high moral character, and such as may be looked for where a Christian consecration to the performance of unselfish duty to the sick and injured exists.

An effort was made to ascertain the proportion of acute and chronic cases under treatment but it was found impracticable to secure definite data. Without more complete returns no accurate statement can be made of the number of acute and chronic cases that may be under treatment at any given date. There are at all times a certain proportion of incurables and chronic cases in the hospital. There is no rule in operation that limits the stay of these cases. They may remain until removed by friends or until they die. The tendency must be toward an accumulation of chronic cases unless some system is provided for their removal elsewhere, and such cases might come to occupy beds that could be used for a larger number of acute and probably curable patients and thus hinder and even put a stop to the most remedial work of the hospital. The policy of aggregating incurables at this well-appointed hospital should be discouraged unless provision is made for their support by private endowments. It should be equipped for doing the best quality and quantity of medical and surgical work to emergency cases and also to such other cases as give a fair promise of relief.

It was understood that but one resident physician was in service. There are always emergencies in hospital service which require the presence of two physicians at least. The resident house staff has also a need of some recreation and relief, and if but a single physician is resident he must either remain always at the hospital, or from necessity the hospital may at times be left without any physician. In our judgment the resident medical staff should be enlarged.

It is readily understood that hospital managers may not undertake to rule against any poor person suffering from disease who presents himself at their door asking for admission, and that in the absence of any comprehensive system of granting relief, charity may be blind to every consideration but the desire to afford immediate assistance. Hence it is not surprising that many patients in this hospital are not residents of the District of Columbia or entitled to relief by reason of a legal settlement in the District.

The spirit which actuates the sisterhood which controls the Providence Hospital is further illustrated in the willingness to enlarge the scope of their work so as to make ample provision on their grounds for the reception of contagious diseases, excepting smallpox. (Hearings of Joint Committee, p. 254.) Contagious diseases in their incipient stages are not readily recognized and may develop in wards, exposing other patients in the ward to the danger of infection. No provision now

exists for the reception, isolation, and treatment of contagious diseases occurring in the city of Washington, as we are informed. In view of these circumstances and the commendable offer that has been made, no objection can be properly raised to the erection of a ward on the ample grounds of this hospital without risk of the spread of contagion to the main hospital or the adjacent neighborhood. In our opinion it should be a separate and detached building at least 50 feet from the street or any inhabited building.

No ambulance service has ever been established in connection with this hospital. It seems desirable that a service of this character be established and maintained in connection with every hospital which receives acute surgical and medical cases.

There is no lying-in service at this hospital.

The cost per patient per day during the year 1896 is stated by the sister superior to be 70⅘ cents.

2. *The Garfield Memorial Hospital.*—The Garfield Memorial Hospital consists of a central administration block and connected pavilions. The grounds are ample, and seem sufficient for the uses of the hospital for many years to come. Its plan is excellent and in accordance with modern ideas of hospital architecture. It can be enlarged by the erection of additional pavilions as may be required. Its wards are clean, and the hospital appears orderly and well administered. It has all the essential equipment for the treatment of acute medical cases, of those suffering from injuries, and of others requiring surgical aid. The rule limiting admissions to this hospital to acute cases, and for a period not exceeding sixty days, and to exclude chronic cases is a good one. It appeared that this rule was generally followed, from the appearance of a majority of patients who were in bed and were evidently needing personal attendance. The managers are to be commended for the appointment of a physician-superintendent skilled in hospital administration.

As in the Providence Hospital, there seemed a lack of definite rules as to the reception of free patients residing outside the District.

No provision is made for the isolation or treatment of contagious diseases outside the hospital building, and such cases are not received. In our judgment, some provision should be made upon the ample grounds of this institution, in order that a case developing within the wards might be properly isolated; also that cases of diphtheria, scarlet fever, and measles might be received when their care outside might endanger the public health. A new surgical operating room seems of prime importance. The operating room at present occupied has been improvised in a basement room, and is not well suited for the purpose. The light is deficient and the surroundings of the operating room are unsuitable. The kitchen building is wholly inadequate to meet the requirements of the hospital. A lying-in service for both white and colored patients has been established at this hospital.

The cost per patient per day in 1896, as stated in the annual report, was 88 cents.

We would commend the general plan of the hospital. There is an appearance of efficient administration and an evident desire to do the best medical and surgical work. The work of nursing seems thoroughly organized and efficiently performed in connection with a training school for nurses. The nurses are active, energetic, and painstaking. There is an ambulance, which is sent out upon call, but no regulations exist for its use by the public. It is seemingly sent out for the sick as a matter of courtesy rather than to meet a public necessity.

3. The Children's Hospital.—The Children's Hospital was inspected and the reports of the managers, the lady visitors, and of the several medical and surgical services have been read. The whole work done here is on a high plane, and is an interesting exemplification of a hospital projected, managed, and administered by a large number of women, properly supplemented by such aid as the Government may grant.

There is a small ward for the isolation of cases of contagious disease, but no separate provision in a detached building for their reception and isolation—a provision so essential in all hospitals for children. The provision for the treatment of orthopedic cases, in our judgment, is very inadequate.

When the helplessness of the inmates of this hospital is considered, we can not feel that our whole duty is performed if we do not call to the attention of the proper authorities the importance of safe-guarding these children from fire. There should be fire escapes and fire walls dividing the buildings, to prevent a total destruction of the hospital in case of fire.

The nursing of children and infants seems efficiently and carefully performed. A training school for nurses exists in connection with this hospital and the Columbia Hospital for Women. The daily per capita cost of maintaining patients during 1896 is stated by the resident physician to be 78 cents.

4. The Central Dispensary and Emergency Hospital.—The large number of persons reported as applying for such relief as a dispensary is expected to furnish is a sufficient warrant for the existence and continued support of this institution. In addition to out patients applying for medical and surgical treatment, accident cases and emergency cases are received. The highest number cared for at one time in beds in wards during 1896 was 17.

The building and site may have been the best that could have been provided at the time of its erection, but they are now inadequate for all the demands upon them. The building is contracted and too high. The superficial space is divided into small apartments, which are too often crowded and imperfectly ventilated. Sufficient attention was apparently not given in the consideration of plans for the classes of persons who crowd into the house day after day. The space set apart

for the out-patient department is so contracted it hardly seems possible to conduct the operations of the dispensary in a comfortable and orderly manner.

We have given careful attention to the statement of one of the attending staff as to the desirability of assigning beds and wards to other than emergency patients for the purpose of affording temporary relief to cases which are not strictly accident cases, and much may be said in favor of this practice, but we are of the opinion that the present provision for this class is much larger than is necessary. It would be a better policy to reduce the present number of beds, to limit the stay in the emergency department to a few days—three to five days—or until the patient can be safely removed to one of the general hospitals of the city, and not to receive any bed cases of a chronic character for the purposes of performing operations.

We believe that emergency cases and wards for the sick have no proper place in a dispensary building, and that as a rule they should be at once removed to a general hospital, which is better arranged for the immediate and after care of the patient. The care of an average of twelve bed cases in this institution also involves the maintenance of a kitchen service, the purchase of supplies, a laundry, and a variety of paid services, requiring an expenditure out of proportion to the number treated. All of these functions have no proper place in a dispensary. An enlargement of the grounds and buildings has been suggested. It may be a question whether the proposed enlargement will furnish the desired relief, and there is a reasonable apprehension that the cost of maintenance will be materially increased and the general conditions now existing will be aggravated. If it should still be deemed advisable to enlarge the scope of the work of this institution, we would think it the better plan to dispose of the present property and seek a location with larger superficial space elsewhere.

The ambulance service connected with this hospital seems more complete than that in connection with any hospital in the District. It ought, however, to be still further perfected by the erection of a stable upon the premises. At present an inevitable delay occurs in sending out the ambulance, by reason of its location at a neighboring stable. In accident cases a delay of even a few moments in bringing a competent ambulance wagon to the scene may be fatal.

An excellent laboratory exists in connection with this hospital, founded and maintained by a member of the attending staff.

Trained nurses are on duty at this hospital, but no training school, as such, has been organized. In view of the very special character of the nursing done here, it is very useful to afford graduates of other schools these admirable facilities for additional instruction.

The cost per patient per day for 1896 has not been given.

5. *The Columbia Hospital for Women.*—This hospital comprises a department for surgical gynecology and maternity wards, accommo-

dating an average of 46 patients daily. Of the physical condition of this institution an inspection confirms all that has been shown in the hearing before the joint committee. The main building was not originally constructed for hospital purposes. The principal work is done in wooden pavilions which have been annexed to it. The whole is poorly furnished and presents a dilapidated, ill-appointed appearance, which seems quite unsuited to the skillful surgical work which is performed here. It might be a question why the managers and medical staff have assented so long to be responsible for its appearance or continuance without a vigorous protest. To undertake to modify and modernize this hospital would involve a considerable outlay, and then it would be unsatisfactory. If it is conceded that there is some necessity of connecting a gynecological ward and operating room with maternity wards, there are stronger reasons why general gynecology should be separated and relegated to the gynecological wards of a general hospital. There are also important considerations which favor the creation of a single maternity department for the whole city, which would save the duplication of this service. To attempt to satisfactorily modify this building would, in our judgment, amount to a reconstruction, and be a wasteful expenditure.

The ground upon which the hospital now stands is very valuable, and it would be true economy to sell it and to build with the proceeds a model lying-in hospital. The nursing is conscientiously and efficiently performed. The training school is also charged with the nursing of children at the Children's Hospital. The daily per capita of maintenance of patients for 1896 has not been given.

6. The Freedmen's Hospital.—The Freedmen's Hospital comprises a portion of the medical school building of the Howard University, which is used for officers, a dispensary service, and an operating room, and pavilion wards, which are annexed. The medical staff have quarters in the main building. The pavilions are wooden structures. The interior and exterior of these latter buildings show a gradual deterioration from constant use and neglect or inability to make necessary repairs. The pavilion wards suggest but a temporary use and a makeshift at some emergency period. The water-closet arrangements are primitive and insanitary. The ventilation when the windows are closed must be imperfect; the heating is by stoves and of the most primitive character, attended with constant danger of fire. The furnishing is poor. The general appearance is depressing, and, aside from the shelter the hospital affords, the relief and care which are furnished the unfortunate and suffering inmates, the opportunities which colored medical students and colored women secure here to acquire medical experience and nurse training, there is nothing to commend nor any good reasons why it should continue to exist in its present state.

If at any time the necessity existed to create this hospital, and if the reasons that first called it into existence have force now, the buildings

should be reconstructed according to improved hospital plans, and the present buildings abandoned altogether. In our opinion the present structures should be condemned for hospital uses if it is not deemed practicable or advisable to maintain them or restore them.

A perusal of the report of the surgeon in chief conveys the impression that the service of this hospital is large and active. On the day of our visit the number of patients in the hospital was 148. Of this number 70 were acute cases, including 24 in the maternity wards, and 78 were chronic cases, most of whom would be equally comfortable in some home or asylum.

It has been claimed that this hospital is essentially a national institution. If this is true the beholder will turn from its premises with sad impressions at the exhibition of suffering and squalor which is here presented and the inadequacy of the plant provided for its relief.

The nursing and medical care seem excellent. The training school for colored nurses is in successful operation. The daily per capita cost of maintenance of patients is stated by the surgeon in chief to be 47 cents.

This hospital has an extensive lying-in service.

7. *Asylum and almshouse hospital.*—This institution is connected with the almshouse and workhouse and consists of five wards, accommodating about 70 patients sent directly from the city or transferred from the pauper department of the almshouse and other District institutions. The wards, or pavilions, are wooden structures erected in recent years, and are considered an improvement on former buildings. They are lacking in conveniences, have unsanitary water-closet arrangements, the furnishings are poor, and the number of nurses insufficient for the proper attendance upon the sick. In our opinion it has been an erroneous and unwise judgment to erect or to maintain a hospital for the worthy poor who are sick in the shadow and amid the environments and associations of an almshouse. While we sympathize with the efforts of officers, physicians, and others concerned to make the best use of the limited facilities placed at their disposal, yet, if we are to use plain language, we must declare the present standard of care and provision for the sick but little above that of the primitive country poorhouse of an earlier day.

The trained nurses who are struggling with this unfavorable environment in the care of the sick in this so-called hospital deserve high praise. It is doubtful, however, if it is in the power of any service, however devoted, to lift the hospital up to the proper standard in its present buildings with their present surroundings. There is a lying-in service at this hospital. The daily per capita cost of maintenance is stated by the intendant to be 31 cents.

8. *National Homeopathic Hospital.*—This hospital labors under the disadvantage of occupying a building which was not originally constructed for the purposes of a hospital. It was originally erected for

a brewery and subsequently used for a public school. In consequence of this its wards are not well arranged for convenient administration; some of the rooms are imperfectly lighted; access to bath rooms and water-closets is not easy, and patients can not be well classified. Notwithstanding these structural defects, the hospital is found in good condition. The surgical operating room is new and well arranged for antiseptic surgery and presents a most creditable appearance. It is doubtful if any better work is possible in the building occupied at present. There is a lying-in service at this hospital which includes both white and colored patients. The daily per capita cost of maintenance during the year 1896 has not been received. A training school for nurses exists in connection with this hospital.

9. *The Home for Incurables.*—This institution is badly located and badly arranged for active work. It contains many patients who do not properly belong in such an institution, and who would be more comfortable elsewhere. We refer to cases of defective mental development, cases of epilepsy, cases of mental disorder, and the like. The governing motive in the admission of many of them seemed to be a feeling of sympathy for the friends who might otherwise be charged with their care. It is evident that no fixed principle governs the admission of patients, and that the limits of this sort of charity are boundless. The Home is neatly kept, the nurses are attentive and kind, and the whole atmosphere of the establishment is homelike. It is, however, most desirable that the scope of the Home be better differentiated, and that many of its present occupants be placed in more appropriate institutions.

The nursing at this establishment was formerly under the charge of the training school connected with the Garfield Hospital. Recently, however, it has been necessary for this school to relinquish the work, and trained nurses are now engaged. The daily per capita cost of maintenance for 1896 has not been received.

Before entering into any remarks upon the above findings it is fitting, in our view of the scope of the inquiry, to speak of the growing use of hospitals among all classes of people during the past decade. Originally planned and constructed for the destitute, the homeless, and the friendless, the field of its usefulness has rapidly enlarged until now the hospital is increasingly resorted to by people of moderate means, and not infrequently the wealthy, or at least by those who do not in any sense require it as a charity. This increased use of hospital facilities by the whole community has been due to improved hospital construction and better hygienic conditions than formerly prevailed—so much better in fact as to excel those now attainable in the majority of homes—to skilled nursing under competent direction, and, above all, to the development of antiseptic surgery in connection with well-appointed surgical operating rooms. For this reason a demand has been created in every city for the erection of hospitals of a progressively better type, and hospitals everywhere have vied with each other to meet these

requirements. Since all members of the community are equally interested in having good hospitals, the duty of making proper provision for all classes of disease has been generally recognized. As one of the results of this widespread interest many special hospitals have been erected and many general hospitals have developed special departments. The effect of this activity has been to increase the burden which the support of hospitals entails upon the charitable public, and in some instances to suggest the necessity of increased aid from the Government.

General hospitals have usually existed under two forms—municipal hospitals, supported wholly by the State, and corporate hospitals, specially chartered for the care of the sick and maintained for the most part by the benefactions of the charitable, and in some degree by the payments of private patients. Municipal hospitals have generally grown out of the necessity of providing accommodations for the sick in connection with almshouses or other aggregations of dependent persons, and hence, unfortunately, have generally been connected with such pauper establishments. The majority of these patients suffered from chronic diseases and required shelter and custodial care rather than active medical or surgical interference. Hence, municipal hospitals as a rule have not been provided with buildings of the best type for hospitals, nor have they had the best facilities in other respects for the successful care of the acutely sick. The presence of large numbers of cases of chronic disease has been found by experience to lower the standard of care, because neither physicians, surgeons, nor nurses have the same incitement to active effort to save life or to relieve suffering as in an institution crowded by cases of acute disease.[1]

For this and similar reasons we must look for the best development of hospital construction, organization, and efficiency to the corporate hospital, of which notable examples are to be found in every large city. The most familiar examples of hospitals of this type, because they are the oldest, are the Pennsylvania Hospital in Philadelphia, the New York Hospital in New York, and the Massachusetts General Hospital in Boston. Erected from the first with the sole idea of providing for the acutely sick, they have been provided with the best attainable buildings, and have called into their service eminent business men as managers and equally eminent physicians and surgeons to direct their professional work. It is not surprising that under the circumstances corporate hospitals in every city have enjoyed great popularity and usefulness. They have attracted the sick of every class, and by the benefactions of the charitable they have been provided with means to rival each other in buildings and equipments. They were modeled originally upon the great foundations which had grown up in Europe.

[1] A notable exception to this general statement respecting municipal hospitals is to be found in the Boston City Hospital, where there is an active service of the highest type in buildings constructed after the latest models and provided with an unsurpassed equipment.

They sprang from great humanitarian impulses, and their roots have sunk deep into our institutions. Designed originally by philanthropists for the poor and suffering, their design primarily was to bring private charity to the relief of the indigent sick.

Of late, however, there has grown up in connection with these corporate institutions wards for the care of persons who are able to pay in whole or in part for medical treatment or surgical operation. Of course no patient in a general hospital, no matter how liberally he may pay, ever pays the full value of what he receives. The interest on the expensive plant, the surgical skill at instant command, the arrangements for hygienic care and nursing—these and many similar items can not be paid for at a weekly rate. All patients, whether paying or not, who avail themselves of the facilities of the hospitals are recipients of charity. Hence, in these corporate hospitals there should be a definite recognition of the fact that there is a place for every case of acute disease. Provision should be made for all classes of persons. Thus far, in America, as a rule, to which we know of but a single exception, the best development of hospitals has been in connection with corporate institutions, and hence they have been fostered and have had a recognized place in all philanthropic plans. They are expected to make ample provision for paying patients, and wealthy benevolent citizens have liberally supplemented their facilities for the care of indigent persons.

In no other manner can the springs of private benevolence be kept from drying up. Communities have no right to expect a government to relieve them from the duty of exercising charity toward the sick and helpless. The corporate hospital may be fostered, and in a degree assisted, but it can never be superseded by the municipal hospital, and should not be. It may be remarked in this connection that most of the hospitals of the District of Columbia are corporate hospitals whose affairs are managed by boards of trustees or managers, even when, as happens in some instances, the funds for their support are supplied by the General Government. This arrangement has undoubtedly been a wise one, and its effect has been to build up the hospitals of the District.

Municipal hospitals for the care of the destitute and for the reception of cases of chronic and incurable disease are also necessary to the welfare of every city. They ought not to be constructed in connection with almshouses or institutions for the insane.

From the above findings certain general conclusions may be drawn, which may be briefly stated prior to a consideration of the special points to which our attention has been directed by your chairman:

1. Crowding and disproportionate accommodation.—Several of the hospitals, notably the Providence Hospital, the Central Dispensary, and Emergency Hospital, and the almshouse and asylum hospital, are much crowded beyond the original intention of those who designed

the buildings. Others, like the Columbia Hospital for Women and Lying-in Asylum, the Garfield Hospital, and the Freedmen's Hospital, are crowded in certain departments and present an apparent excess of accommodation in other departments.

2. *Contagious diseases, etc.*—Beyond a few beds in the Children's Hospital and some rooms over a stable in connection with the Providence Hospital, no provision whatever exists for the case of contagious diseases in the District of Columbia.

No detention ward exists in connection with any hospital for the temporary care of cases of acute insanity pending their examination and transfer to permanent quarters in a hospital for the insane.

3. *Admission and discharge of indigent patients.*—No rules exist for the admission of patients to hospitals or their discharge therefrom, with the sole exception of the Garfield Hospital, where the time limit of sixty days is said to exist. In the majority of them no inquiries are made as to the legal residence of patients, nor are there any means of ascertaining whether the patients admitted are a just charge upon the charities of the District of Columbia.

4. *Lack of supervision on the part of the Government.*—At present the United States Government is in the position of a minority stockholder in most of the hospitals to which appropriations are made. Although it supports either wholly or in part all the hospitals visited, the title of but two institutions is vested in the Government, viz, the Columbia Hospital for Women and Lying-In Asylum, and the almshouse and asylum hospital. The remaining seven are owned by private corporations and receive aid only. In some instances this aid has extended to the purchase of land and the erection of new buildings in addition to appropriations for the maintenance of patients. At the Freedmen's Hospital, which is nominally under the charge of the Secretary of the Interior, the Providence Hospital, which is similarly under the Surgeon-General of the Army, and the Columbia Hospital, which has one of the District Commissioners upon the board of trustees, there is a quasi control, but it is in reality of the most formal character. Beyond an investigation of disbursements to ascertain that the disbursing officer is complying strictly with the law, no supervision exists in the other hospitals, and there is no one to report whether or not the money appropriated has been judiciously expended for the proper care of the sick poor of the District of Columbia.

5. *Duplication of work of hospitals.*—A lack of coordination in the work of the various hospitals receiving aid from the Government is evident, and some branches of hospital service seem unnecessarily duplicated. Thus, at five different hospitals lying-in patients are received, and in some of them separate provision was made for both white and colored patients. All of the hospitals, with two exceptions, receive pay patients, and in some instances the pay patients' departments seem developed at the expense of the free departments—that is, the free departments lack accommodation for those who require such care, and

the rooms for paying patients are not filled. At the Freedmen's Hospital, designed originally for colored patients, at least one-third of the patients are white. At least five hospitals are engaged in gynecological work.

6. Hospital for chronic diseases.—No hospital worthy the name exists for the care and treatment of chronic diseases, the only approach to such a hospital being a group of temporary wooden buildings in connection with the almshouse, and an institution of very limited capacity known as the Home for Incurables. The former is unfit for the care of chronic cases and the latter is wholly inadequate to admit them as a class.

We now approach the specific points upon which information has been especially desired.

Organization.—The hospitals of the District are well organized and directed, with efficient medical and surgical service and excellent nursing. In two of them additional members of the resident staff might with advantage be appointed.

Equipment.—Various defects have been pointed out in all of the hospitals of the city under the description of each hospital, and nothing needs to be added here except a brief summary:

At the asylum and almshouse hospital the buildings and fixtures are wholly unsuited to the purposes of the sick. Nothing short of the erection of a new hospital can remedy them.

The Children's Hospital requires fire escapes and fire walls, increased accommodations for orthopedic cases, and a detached building for the treatment of contagious diseases.

The Columbia Hospital for Women and Lying-In Asylum requires a new building with proper wards, proper ventilation, and proper methods of heating, with increased facilities for the accommodation of lying-in patients and better arrangements for the separation of suspected and infected patients. The necessity of remedying these defects is acknowledged by those who have the hospital in charge.

The Freedmen's Hospital needs a thorough reconstruction. With the exception of its amphitheater and operating room, there is little in the whole establishment which is worth saving. Its buildings are worn out and not worth repairing.

The Garfield Hospital requires a new operating room, an isolated ward for contagious diseases, a kitchen, laundry, and other service buildings; also a better ambulance service.

The Homeopathic Hospital is hampered by a faulty building which was not originally intended for a hospital.

The Providence Hospital needs a ward for the isolation of cases of contagious disease; also an ambulance service.

The Central Dispensary and Emergency Hospital requires additional room for laundry and kitchen service, a stable for the ambulance, and,

if it is to continue to receive other than accident cases, larger wards, more ample accommodations for nurses, and increased accommodations for servants.

Cost of maintenance.—The cost of maintenance, as will be seen by the appended tables, compares very favorably with the cost of maintenance in the various corporate hospitals of America.

If all of the hospitals of the District were engaged in the treatment of acute cases, in all probability a material increase in the daily per capita cost of the maintenance of patients would be perceived.

An effort has been made to obtain from all of the above hospitals an estimate of the daily per capita cost of the maintenance of patients, and wherever such statement has been received it has been printed with the description of the hospital. As it was impossible to secure similar returns from all of them based upon uniform data, it became necessary for the purposes of comparison to take the returns made to the joint select committee, as published in Senate Doc. No. 185, Fifty-fifth Congress, first session. These have been carefully examined by Dr. A. J. Ourt, of Philadelphia, an expert statistician, and the accompanying table has been prepared from the data given:

TABLE I.—*Cost of support of patients in the hospitals of the District of Columbia in 1896.*

Name of institution.	Approximate daily average number.	Average cost of maintenance.[a]		Total cost of maintenance.
		Weekly.	Daily.	
Central Dispensary and Emergency Hospital	267.7	$1.22	$0.17	$17,553.14
Children's Hospital	76.7	5.36	.77	21,371.87
Columbia Hospital	59	7.78	1.11	23,888.35
Freedmen's Hospital	176	5.90	.84	54,025.00
Garfield Memorial Hospital	77.3	8.29	1.18	32,306.35
National Homeopathic Hospital	35	9.64	1.37	17,544.34
Providence Hospital	236.3	4.07	.58	50,082.00
Washington Hospital for Incurables	39	5.17	.74	10,500.15
Washington Asylum	.....	2.17	.31	.....

[a] The average weekly and daily cost of maintenance is based on the report of expenditures in "Statements of charitable institutions," hearings before Joint Select Committee of Congress, District of Columbia, 1897, and, being the only data accessible, is assumed to be correct.

To show expenditures in other cities, the following table is appended.

TABLE II.—*Cost of support of patients in hospitals outside of Washington, D. C.*

Name of institution.	Average cost of maintenance.	
	Weekly.	Daily.
Boston City Hospital (charity)	$7.48	$1.07
Massachusetts General Hospital (corporate)	9.92	1.42
New York Hospital (corporate)	13.46	1.81
Pennsylvania Hospital (corporate)	8.20	1.17
Presbyterian Hospital, Philadelphia (corporate)	9.66	1.38
Philadelphia Hospital (charity)	2.64	.38½
Children's Hospital of Philadelphia	[a] 8.61	1.23

[a] Includes cost of country branch. Excluding cost of country branch, weekly $6.93, daily 99 cents.

Relations of pay patients.—As has been previously stated, it is inevitable that all classes in every community will in future increasingly resort to hospitals, and it becomes a matter of self-protection to the government charged with the responsibility of providing for the poor or indigent that no charity shall be squandered upon any person able to pay for his own care and treatment. Hence every hospital should be encouraged to make provision for pay patients, and every person admitted who is pecuniarily able to contribute to his own support in the hospital should be expected to do so. Those who can not pay should not be neglected, but their right to free care ought to be properly established at the time of their admission, or, in emergency cases, as soon thereafter as it is possible to determine their degree of pecuniary responsibility or irresponsibility.

He who pays his way in a hospital helps to lift the burden of the support of the hospital from the charitable or from the Government. To give aid when it is not absolutely needed is demoralizing to the citizen and an evil example to the community. Every applicant for free treatment should be most carefully investigated, so that the needy sick man may receive the care and treatment which he requires ungrudgingly and without delay, and every other held to a strict accountability for the payment of his expenses. The wandering sick person who has seen the inside of many hospitals in many cities should go where he belongs.

The limits of charity.—What, then, are the limits of charity and to whom should the free beds of the hospitals of the District of Columbia be open?

(1) To the sick and destitute poor of the District.

(2) To indigent persons who are self-supporting when well, but who have no accumulated surplus to rely upon in case of illness. In many instances the members of a family may be kept together during the illness of the father or mother or some other producing member of it, provided the family is relieved of the expenses of taking care of the sick person at home. If such person can not be cared for in a hospital, then starvation stares them in the face. It is true charity to make such a patient a free inmate of a hospital.

(3) To indigent persons who are temporarily residing in the District and who fall ill before they have acquired a legal residence. Humanity requires that they be cared for.

(4) To accident cases, wherever they may reside.

With these help must come promptly at a time when there should be no delay to ask any questions.

Beyond these classes charity can not well go. It is clearly improper that sick persons from Virginia or Maryland or other States should go or be sent to Washington to be cared for at public expense, or that such service should be expected. Every community should provide for its own sick poor.

Methods of admission.—Little needs to be added to what has been stated under the two preceding headings. A central authority representing the Government should pass upon the two questions of indigence and of legal settlement in the case of every applicant for free admission to the charitable wards of the hospitals of the District of Columbia.

RECOMMENDATIONS.

In submitting the following recommendations we would be understood to speak only of the care of indigent patients in the District of Columbia clearly chargeable to the public, and to have no reference to patients who are able to pay for their care and treatment.

1. It is recommended that the Providence Hospital and the Garfield Hospital be selected to assume the charge of cases of acute diseases and such accident and emergency cases as may be in their immediate neighborhood, and that the police or District officers empowered to send such patients be instructed to send them to the hospital for which they express a preference. In every instance an effort should be made to ascertain the legal settlement of the patient, and if he is found to be a nonresident he should be sent to his proper place of residence whenever practicable. All admissions of such acute cases should be for a period not to exceed ninety days, unless sooner recovered, and at the end of this period he should be reported to a proper authority if unrecovered, or not likely to improve, for transfer to a hospital for chronic diseases. For this service a liberal daily per capita sum should be paid by the Government, such sum as may be deemed equitable by both parties.

It should be the understood policy to be encouraged that these two hospitals, as now existing, being well equipped to render to the sick and injured the best quality of service of healing and also the largest quantity of it, should be used for cases of acute disease, and that cases of chronic disease should be removed to other less expensive institutions or transferred to a municipal hospital.

This will insure a more rapid movement of patients and better care and attention for sick patients. Hence there should be power vested in some competent central authority to direct the removal and transfer of such chronic cases who are a public charge.

If there are indigent patients who prefer this form of medical treatment, power might be given to this officer to send such patients likewise to the National Homeopathic Hospital under conditions similar to those prescribed for the above-mentioned hospitals.

2. It is recommended to abandon or curtail the Emergency Hospital service, in view of the fact that the hospitals named above have or should have sufficient room for most of the bed cases now received at the Central Dispensary and Emergency Hospital. It is believed that if any beds are maintained at this institution they should be a limited

number, where accident cases too feeble to be moved might remain two or three days. No other cases need be taken to this hospital, as with an efficient and active ambulance service either of the two hospitals named could readily bring all patients directly to their wards.

3. It is recommended that the Columbia Hospital surrender the valuable grounds upon which it is now located and be established elsewhere. The present buildings, except the nurses' house, have no special value, and the cost of modification and reconstruction would be attended with an outlay equivalent to the cost of a new hospital. As the gynecological and maternity services have no necessary connection, except in exceptional cases, it is recommended that they be disassociated, with advantage to both classes, and that the new hospital to be erected be a maternity hospital of sufficient size to render all of the charitable hospital maternity service now performed in this or other hospitals of the whole District. Gynecological surgery, it is believed, can be better done in acute general hospitals, with less danger of interfering with the operations of the maternity hospital.

4. It is recommended and proposed that a municipal hospital be erected to receive all patients, inmates of the Garfield, Providence, or any other hospital in the District, and inmates of the Washington Asylum (or almshouse) who may be proper subjects for such an institution—that is, those who have been under treatment in the hospitals of the city at public charge and have become chronic, or are, in the opinion of physicians, incurable patients. These could be transferred to the proposed municipal hospital.

The proposed municipal hospital should be a well-constructed building, with modern appointments as to ventilation, heating, sanitary appliances, and medical service equal to the best in the District, with plain and becoming furnishings, on grounds entirely separated and disassociated from the almshouse, jail, and House of Correction. This would remove objections made by the worthy poor to treatment in an almshouse hospital. Many chronic invalids do not require the more expensive standard of care of an acute general hospital. On the other hand, the acute hospitals would show an increase of the per capita cost.

5. It is recommended that the work now done at the Freedmen's Hospital be transferred to the proposed municipal hospital. Whatever reasons may have once existed for designating any class as "freedmen," and making special hospital provision for them at the expense of the Government, can not be said to exist any longer. All of its present inmates have claims for care and treatment when sick and found to be poor. If deemed advisable, the colored people might be assured of the enjoyment of the same advantages to be derived from hospital service and experience as they now possess in any new arrangement which may be made. This proposition would practically consolidate all hospital service for the poor and dependent of the chronic class in one institution, to which no professional objection can be raised. If the

Freedmen's Hospital were not the property of a private corporation, and if its site and plant were under the control of the Government, it might be converted into a municipal hospital, under the management of the District authorities.

6. It is recommended that at the Garfield, Providence, and Children's hospitals contagious disease wards be erected on the premises to receive all contagious diseases excepting smallpox.

7. It is recommended that a ward for the temporary detention of insane persons and of cases of alcoholism who may be arrested on the streets, or who may fall into the custody of the police to be detained pending their examination and legal disposition, be erected in connection with the municipal hospitals, and that the temporary detention of insane persons in the station houses or jail pending such examinations be prohibited.

8. To bring all of the hospitals, charitable institutions, and reformatory institutions of the District under governmental supervision and inspection and to establish a system whereby their operations may be unified and coordinated, it is recommended that a board of charities and corrections be created for the District of Columbia. This board should serve without pay. A portion of its members should be women. It should have a paid secretary, who shall be a physician familiar with hospital, charitable, and institutional work. This board need not possess administrative powers, but should visit and report annually, and be the medium through which Congress may be informed of the practical and detailed operations of all institutions coming within their purview. The board, through its secretary or agent, should have authority to ascertain the residence and legal settlement of persons in the hospitals or other institutions, and power to return such cases to the place from whence they come. They should receive monthly reports from the hospitals, and verify them. They should have power to make orders of admission to hospitals, to make transfers from one hospital to another, and to discharge patients from hospitals.

It is not considered our province here to enumerate all the powers and duties of such a board, as we are not sufficiently informed how far they might conflict with existing statutes, but we have seen the necessity of unification, accountability, and economy, and feel it a duty to urge the establishment of such a board.

The changes above suggested are far-reaching, and in all probability they can not be made at once. They look to a unification of hospital work on a comprehensive plan, and if adopted they will unquestionably prevent a duplication of hospital work and a waste of public appropriations. They will also assist in more accurately determining the duty of the Government to the helpless sick of the District of Columbia.

Respectfully submitted.

HENRY M. HURD.
JOHN B. CHAPIN.

APPENDIX B.

HOSPITAL ORGANIZATION.

Letter from the Medical Association of the District of Columbia relative to the administration of hospitals.

WASHINGTON, D. C., *November 22, 1897.*

Hon. JAMES MCMILLAN,

Chairman of the Joint Select Committee to Investigate the Charities and Reformatory Institutions in the District of Columbia.

SIR: In the hearings held by your committee April 22, 1897, certain recommendations adopted by the Medical Association of the District of Columbia February 16, 1897, and which had in view the correcting of existing abuses in the administration of hospitals and dispensaries, were discussed and some of the rules subjected to adverse criticism. The Medical Association appointed, therefore, a special committee to correct any misapprehension as to the meaning and intent of their recommendations, and also to represent the association before your committee in matters relating to hospital and dispensary abuses.

Before proceeding with the argument we beg to refer briefly to the duties of the medical profession to the public, which have been clearly defined in the system of ethics adopted by the American Medical Association over fifty years ago.

Article I, paragraph 1, reads:

As good citizens, it is the duty of physicians to be ever vigilant for the welfare of the community, and to bear their part in sustaining its institutions and burdens; they should also be ever ready to give counsel to the public in relation to matters especially appertaining to their profession, as on subjects of medical police, public hygiene, and legal medicine. It is their province to enlighten the public in regard to quarantine regulations; the location, arrangement, and dietaries of hospitals, asylums, schools, prisons, and similar institutions; in relation to the medical police of towns, as drainage, ventilation, etc., and in regard to measures for the prevention of epidemic and contagious diseases; and when pestilence prevails it is their duty to face the danger and to continue their labors for the alleviation of the suffering, even at the jeopardy of their own lives.

Paragraph 3: * * * There is no profession by the members of which eleemosynary services are more liberally dispensed than the medical, but justice requires that some limits should be placed to the performance of such good offices. Poverty, professional brotherhood, and certain of the public duties referred to in the first section of this article should always be recognized as presenting valid claims for gratuitous services. * * *

Article VII: Some general rules should be adopted by the faculty in every town or district relative to pecuniary acknowledgments from their patients, and it should be deemed a point of honor to adhere to these rules with as much uniformity as varying circumstances will admit.

In accordance with these precepts, the Medical Association of the District of Columbia adopted a table of standard fees, subject, however, to the several rules, some of which are as follows:

They shall be diminished at the discretion of the physician when he believes that the patient can not afford to pay the regular fees, and yet is able to make some com-

pensation. It shall be considered, however, as unprofessional to diminish the standard fees, except from motives of charity and benevolence. * * * It is not designed by these regulations to prevent gratuitous services to those who are incapable of making remuneration without distressing themselves or families.

The letter and spirit of these regulations are sufficiently broad and benevolent, but the majority of hospital and dispensary boards of management seem to have lost sight of these dictates of humanity, and as a result their annual reports vie with each other in statements of the amount of work done without any consideration, as to how much of this work was done for the benefit of the real dependent classes, or how much was done at the expense of the profession at large.

While it is clearly the duty of the State and of society to take care of the indigent sick, it is also their duty to prevent imposition and abuse, and this, we regret to say, has not been done, and the evil has grown here, as elsewhere, "with a rapidity which threatens the impoverishment of the general practitioner."

The causes of this evil are manifold; there is always a large class of persons who pretend to be poor when in reality they are simply seeking good medical attendance without pay; Christian charity, or a want of business methods, on the part of hospital and dispensary authorities prevents a systematic inquiry into the actual needs of such applicants.

It is possible that liberal public and private support of these institutions are factors in the abuse of medical charity, for were they obliged to practice strict economy self-preservation would compel them to require evidence of dependency and the work would be limited to the deserving sick. But whatever the cause, the facts are that the true purpose of these institutions has been a mistaken one, and, with a view "of placing a limit on the performance of unrequited services, to sift charity from its abuse, and to keep the hospitals and dispensaries from absorbing patients who are able to pay for medical or surgical treatment," the Medical Association of the District of Columbia appointed a committee in October, 1896, to investigate the subject.

This committee, in its report presented November 10, showed that during the fiscal year ending June 30, 1895, there were treated in the hospital and dispensaries 43,030 applicants, while the physicians to the poor treated 15,150 patients. This makes a grand total of 58,180 patients treated, and a percentage to population of about 21. Mr. Wilson, the secretary of the Board of Associated Charities, testified before your committee that about 5 per cent of the cases investigated for the Central Dispensary proved fraudulent.

The report of our association committee contained certain conclusions and recommendations which were discussed in two general meetings, but the association, to avoid hasty action, referred the subject to another committee, and this second committee formulated the recommendations of February 16, 1897; these were unanimously adopted as amendments to the regulations on May 11, 1897. A copy of these rules was mailed to every hospital and dispensary board in the city,

but so far only the Eastern Dispensary has expressed a willingness to cooperate in the effort to check abuses. (See annual report, June 30, 1897.)

At a meeting of the association held November 9, 1897, the secretary was directed to mail copies of these amendments to the hospital and dispensary boards, and also a copy of resolutions requiring members of the association who may be members of the medical staff of such institutions to comply with the rules by January 1, 1898. (See copy inclosed.)

If all the hospitals and dispensaries had a proper medical representation on their boards of management, many of the abuses could be corrected by a fair presentation and discussion, but it so happens that some of the boards are composed wholly of lay members, who are disposed to force imposition of every kind upon the medical staff.

A copy of the recommendations was transmitted to your honorable committee and submitted to the criticism of Surgeon-General Sternberg at your meeting held April 22.

Rules I, II, III, and IV appear to have met with his approval, but he objected to Rule V, which reads: "That members of this association shall be entitled to the privilege of attending private patients occupying private rooms in any of the public hospitals of this city." His objections, stated on pages 248–249, are, in our opinion, not sustained.

In the first place, it should be remembered that members of this association are legally qualified practitioners of medicine, and it is not to be assumed that members of the attending staffs of hospitals are the only qualified practitioners in a city. Many of the pay patients in hospitals become inmates thereof on the recommendation of their family physician, in order to facilitate treatment, or for the purpose of an operation which could not be properly performed at home. To deprive such patients of their first choice is not only an injustice to them, but also to the attending physician, and to insist that they must accept the services of the hospital staff is legislating for the benefit of a special class.

The instances where a young man would dare to perform an operation without consultation must indeed be rare, but all well-regulated hospitals have, or ought to have, rules that no capital operation, except in emergency cases, shall be done without the consent of the consulting staff; and as these rules are applicable to all inmates, injudicious operations could certainly be avoided without depriving the patient or family physician of their just rights. This rule is not applicable to municipal or Government hospitals, and there is, of course, no good reason why they should have accommodations for pay patients, except in the hospitals for the insane.

The seventh and eighth rules were adopted with a view to protect medical members of the staff, while insisting on proper discrimination in limiting hospital and dispensary facilities to the dependent classes,

and on proper remuneration for services in pay rooms when such patients are clearly able to pay for the same.

There is no good reason why pay wards should not be pay wards as well to the physician or surgeon as to the funds of the hospital. Indiscriminate dispensary treatment keeps many a fee from the hard-working and poorly-paid practitioner, and if a patient can hire a room, with board and nursing, in a hospital for from $10 to $20 a week, without extra charge for professional services, the hospitals will flourish at the expense of the medical profession.

We can not formulate rules for or dictate to hospital and dispensary boards, or direct those intrusted with the disbursement of public funds appropriated for the relief of indigent sick how this money shall be expended, but we claim the right to make rules for the guidance of our professional brethren, which if enforced will not only protect their interests, but incidentally also the public Treasury.

If proper control had been exercised, hospital and dispensary abuses would not exist and these rules would never have become necessary; and as the remedy lies, perhaps, within the scope of your investigation, we beg to submit the following views for your consideration:

The subject of hospital management in this city might be simplified by placing all hospitals (owned and supported by public funds) under the control of the municipal government, preferably under the immediate supervision of a board of charities, with a competent executive officer.

The hospitals under this category are the Freedmen's, the Columbia Hospital for Women, and the wards connected with the almshouse, and admission to these should only be made by competent authority.

As the accommodations in these hospitals are insufficient to care for all the indigent sick, other provisions are necessary.

These, in our judgment, ought not to be made by making specific and direct appropriations for any particular hospital, but an adequate sum should be appropriated to be expended under the supervision of a central agency (such as a board of charities), and it should be the duty of this board to determine which of the existing hospitals are properly equipped, and then pay a stipulated amount per day for every poor patient admitted by its order; such orders should constitute the vouchers of the hospital for monthly bills. It is presumed, of course, that this central agency requires evidence of dependency, and will satisfy itself by frequent inspections that the public patients are properly cared for.

There should doubtless be an emergency department connected with the various hospitals, one in the east, west, north, and south, and because of the peculiar nature of such a service the actual cost of maintenance should be defrayed from public funds. The central agency should also recommend appropriations for the support of free dispensaries, located, like the hospitals, in readily accessible sections, with due

regard to their respective population and needs, and should prescribe such rules as will limit the work to the dependent classes only. Under no circumstances should the system of charging a small fee be introduced, as it will be a hardship to the real poor and a guise for fraudulent applicants.

Public hospitals, like the Freedmen's, Columbia, and the wards connected with the Washington Asylum, should be open to medical students for clinical instruction, since they are, after all, not only intended for the reception of the sick and wounded, but likewise constitute the training school for the future family physician.

The Children's, Garfield, and Providence hospitals, although owned by corporations, are practically open to medical students.

On the whole, the committee believes that the plan thus briefly outlined will be a satisfactory solution of the hospital and dispensary question in this city. The Government would be the gainer, because it would not be under the necessity of erecting a municipal hospital and duplicate, as it were, the work of existing well-equipped hospitals, nor would it discourage benevolent enterprise, for in spite of many abuses it must be admitted that immense good has been accomplished by charitably disposed men and women in providing for those who naturally shrink from being regarded as objects of public charity.

In our opinion private charity would be seriously impeded if the Government assumed all the burdens.

Properly equipped municipal or county hospitals are expensive institutions, and, apart from the odium connected with being an inmate of a county hospital, it is much better to have the sick poor cared for in hospitals located in different sections of the city, because of easier access and the prevention of crowd poisoning, which can scarcely be avoided when so many sick are aggregated under one roof.

Hospital and dispensary boards ought not to expect public support unless they comply with the requirements of the central agency of the Government, and merit alone should be the key to the public funds. The advantages of the proposed plan are:

That hospitals owned and wholly, or to a great extent, supported by the Government would be under the control of the municipal authorities.

Specific appropriations for hospitals and dispensaries owned and controlled by sectarian or corporate bodies would cease, but the state simply pays for the care and treatment of indigent sick and not for the extension and completion of institutions originated by benevolent enterprise. It matters little to humanity and good government whether a hospital caring for the sick poor is a memorial hospital, a children's hospital, a college hospital, or a sectarian hospital, so long as the authorities have the satisfaction of knowing that the money has been expended for the benefit of deserving sick poor admitted by proper authority and that the sick are properly and economically cared for.

It is clearly the duty of the state to discourage pauperism; and one of the chief functions of the Board of Charities, through its paid

agents, should be to prevent the admission of unworthy cases, but to extend a willing hand and even seek those who, in their sturdy, self-asserting manhood, prefer suffering to charity.

Respectfully submitted.

SAMUEL C. BUSEY, M. D.,
G. WYTHE COOK, M. D.,
LLEWELLYN ELIOT, M. D.,
WILLIAM W. JOHNSTON, M. D.,
G. L. MAGRUDER, M. D.,
GEO. M. KOBER, M. D.,
Committee of the Medical Association of the District of Columbia.

Recommendations adopted by the Medical Association of the District of Columbia May 11, 1897, as amendments to the regulations.

I. That every institution for medical charity shall require from every applicant for relief in a hospital or dispensary a written certificate to be obtained as hereinafter provided. Emergency cases are to be excepted from the operation of this rule.

II. That such certificate be obtained from physicians to the poor, the Board of Associated Charities, and any registered physician.

III. That cases of sick and injured persons found upon the streets, in the stations, or elsewhere, who require immediate treatment shall be carried to the Emergency Hospital, or the nearest hospital having an emergency service, or to their homes, if so directed by the patient or his friends.

IV. That emergency patients shall not be detained longer in such institutions than the necessity of the case imperatively demands, but shall be discharged from the service and sent to their homes or to some public hospital as the patient may elect.

V. That members of this association shall be entitled to the privilege of attending private patients occupying private rooms in any of the public hospitals of this city.

VI. That in future the members of the medical staff of hospitals when attending medical or surgical cases in private pay rooms shall insist upon proper payment for their services except in the case of such patients who are clearly unable to pay for same.

VII. That whenever the medical staff or a majority thereof of a hospital or dispensary resigns, and when after due hearing this association finds that the resignations were for just and sufficient cause, it shall be forbidden for any member of this association to accept a position on the staff of said hospital or dispensary.

VIII. That whenever one or more members of the medical staff of a hospital or dispensary are dismissed, and when after due investigation this association finds that such dismissal was without just and sufficient cause, it shall be forbidden for any member of this association to fill the vacancy created thereby.

IX. That complaints made under Rules VII and VIII shall be made in writing to the standing committee, which after due consideration shall report its findings to the association.

Resolution adopted by the Medical Association of the District of Columbia November 9, 1897.

Whereas six months have elapsed since the recommendations of the committee on hospital and dispensary abuses have been adopted as amendments to the regulations of the Medical Association of the District of Columbia; and

Whereas the secretary was instructed May 11, 1897, to transmit a copy of these rules to all hospital and dispensary authorities in this city: Be it

Resolved, That the standing committee institute an immediate inquiry as to what

institutions have signified a willingness to abide by these regulations and to notify the members of the attending staff of the various hospitals and dispensaries, who are at the same time members of this association, that unless the rules adopted May 11, 1897, are complied with or on before January 1, 1898, such members should be deemed guilty of violating the regulations of this association, and shall be liable to such discipline as the members of the association may direct.

G. WYTHE COOK, M. D.,
President.
J. R. WELLINGTON, M. D.,
Secretary.

APPENDIX C.

Sanitary condition of charitable institutions.

HEALTH DEPARTMENT, DISTRICT OF COLUMBIA,
Washington, February 3, 1898.

SIR: In compliance with the request of Hon. James McMillan, Chairman Joint Select Committee on Charities, of October 26, 1897, for a report upon the sanitary condition of certain charitable institutions, I have the honor to submit the following statements:

I regret the delay which has occurred in the submission of this report. It has, however, been practically unavoidable because of the necessity of collecting and analyzing the data without neglecting the routine work of the department. Even as it is, it is realized that the information and conclusions presented can not be entirely satisfactory, for the determination of the sanitary condition of any institution should be based not upon one or two visits made at comparatively brief intervals, but upon repeated inspections covering various seasons of the year and different hours of the day and night; and for the proper comprehension of such a report plans of the institutions are practically necessary. At the beginning of the present investigation an effort was made to submit such a description of the places visited as would convey some idea of the general plan upon which they were constructed, but it was soon discovered that this was impracticable.

Attention has been given solely to conditions involving the physical welfare of the inmates. Although ordinarily not considered as a part of the sanitary condition of a building, it has been thought not out of place, nor otherwise improper, to incorporate in this report a statement as to the facilities at the various institutions for the safety of the inmates in case of fire. In connection with the consideration of sanitary features it has been found necessary to touch upon matters of administration in some instances; for instance, laundry work can be as well done without stationary washtubs as with them, but it is not likely that it will be; or, twenty persons can bathe each week in a single bath tub as well as five, but it is not likely that they will do so.

In general no suggestions have been made as to the suitability of

present sites for the purposes of the institutions, nor as to the possible advisability of changing them, either for the purpose of securing more salubrious locations, or to secure, either in connection with greater salubrity or not, buildings of modern construction and designed for their present use. The subject, in some instances, might be considered with possible advantage, but is left to be studied by the proper parties in connection with the general modification of charity administration in this District, if there be any.

It has not been possible to fix standards of necessary accommodations which would be applicable to all places. The necessities of institutions of the same character as the two foundling asylums inspected vary with the methods of management. Where in the accompanying statements opinions have been expressed, they have been formed after consideration of the particular circumstances of the case to which they have reference. When measurements of air space are not given, it is because they are so manifestly sufficient as to render it unnecessary to take or record them. Wherever the capacity of a room in this respect is given, it may aid in the proper appreciation of its significance to remember that the standard capacity for sleeping apartments, as fixed in this District by regulation, is 400 cubic feet for each occupant over 10 years of age, and that the standard capacity for school rooms, which may be said to be recognized though not fixed by regulation, is 250 cubic feet. In all cases, however, the matter of air space is so correlated to ventilation that the two must be considered together. None of the institutions inspected have any provision for artificial ventilation. Most of them depend entirely upon the adjustment of windows and doors. Of course in those heated by hot air the method of heating has some effect in ventilating; but this beneficial effect is, to a certain extent at least, offset by the character of the air furnished and, when the institution is large, by the number of furnaces needed.

The number of bath tubs and the extent of the water-closet accommodation will also vary with the character and customs of the institution, and their sufficiency must be judged accordingly. The necessity for a supply of hot water for bathing purposes seems to have been lost sight of, in almost every instance, in installing boilers. For most institutions, and certainly for those where the inmates are to a great extent transients, the rain or needle bath offers great advantages over the tubs now in use. In every place where boys or men are accommodated urinals would afford desirable accessories to the closet accommodations.

Wherever the number of beds is given, single beds are meant unless otherwise indicated.

Finally, it is not pretended that every trifling defect in cleanliness, plumbing, or other sanitary feature has been recorded in the accompanying statements; some, of minor importance, which could be easily and cheaply remedied, have been brought to the attention of the

responsible parties for correction, and others have, possibly, been overlooked; but note has been made, it is believed, of all defects and conditions bordering upon the defective whose importance would justify their inclusion in this report.

Respectfully submitted.

WM. C. WOODWARD, M. D.,
Health Officer.

Hon. JOHN B. WIGHT,
Commissioner, District of Columbia.

INDUSTRIAL HOME SCHOOL.

This institution is located on Thirty-second street extended. It occupies two brick buildings, each so located as to receive light and air from all sides, heated by steam by direct radiation, lighted by gas and connected with the public water service. No public sewer is available for their accommodation. The old building has no fire escape, but has two stairways; the new building has a fire escape and one stairway; neither has means for extinguishing a fire should one occur.

The main building, the greater portion of which was the Georgetown poorhouse before being used for its present purpose, consists of two stories and basement. In the basement are located the laundry, carpenter shop for manual training, and the boys' play room. The laundry is provided with stationary tubs and a steam drier. In the play room is a tank constructed of brick and cement, used as a bath tub. The usual troughs for washing are located here.

The parlor, dining rooms, kitchen, pantry, schoolroom, and a washroom are located on the first floor. The schoolroom is well lighted, has 206 cubic feet air space per pupil, and depends for ventilation on the adjustment of windows and doors.

On the second floor is a reading room for the use of the boys and another schoolroom. The sleeping apartments of the matron, carpenter, and administrative force generally are also located upon this floor. Two rooms are here set apart for the use of sick inmates, which can, by crowding, be made to accommodate 4 beds; they are, however, without water or sewer connections and without available room for the use of the nurse.

There are in this building three dormitories, one upon the first and two upon the second floor, containing 35, 30, and 16 occupants each, with 361, 539, and 285 cubic feet air space per occupant, respectively. The ventilation of two of these rooms depends entirely upon the proper adjustment of doors and windows; the other has ventilators through the ceiling. A child of the cook and another of the nurse, who are counted among the inmates of the institution, sleep in the apartments with their mothers.

The second building, sometimes called the cottage, is smaller and of

more modern construction. It consists of two stories and cellar. The cellar is used for storage purposes only. On the first floor are the sewing room, music room, girls' play room, and one sleeping room for attendants. On the second floor is a small storeroom, a room for the matron, and three dormitories. These dormitories contain 322, 233, and 259 cubic feet air space per occupant, and accommodate altogether 29 inmates.

The plumbing throughout the institution is mostly of old pattern and is in many places defective. While it has no connection with the public sewer, the extent of the local drainage system is sufficient to render it important that proper precautions be observed in its construction. The sewage, except the contents of privies, is drained into a small stream flowing through the premises and disposed of without nuisance. The contents of privies are applied to the cultivated land.

The grounds comprise about 17 acres, most of which is under cultivation. On them are located greenhouses, a boiler house, a stable, a milk house, and a very primitive privy. They also contain a pond of water, in which the boys bathe and swim during warm weather.

The general cleanliness of the institution was fair.

The capacity of the institution, as estimated by the superintendent, is 125, with an executive force of 11. The ages of inmates vary from 5 to 15 years. There were present at the time of inspection 83 boys and 29 girls. They are not provided with individual towels, combs, hairbrushes, or toothbrushes.

The main building of this institution is an ancient dilapidated structure not at all adapted to the purposes for which it is used. Taken as a whole, it is poorly lighted, ventilated, and heated. The plumbing is defective and entirely devoid of those conveniences which an institution of this character should have. It is gratifying to know, therefore, that an appropriation is now available for a building to replace this one, and that the work of construction will be commenced in the spring. In the main building as it now exists, the only facility for the bathing of the inmates is the brick pit in the basement. This part of the building is cold and damp, poorly ventilated, and without means of heating, so that, while warm water is available, proper attention can hardly be given to the cleanliness of the person with such facilities. The bathing accommodations for the administrative force consist of a single tub located on the second floor, in the same room as the water-closet. In the cottage used by the girls there is but a single bath tub and one water-closet. It is needless to say, therefore, that the bathing and closet facilities are inadequate.

NATIONAL ASSOCIATION FOR RELIEF OF DESTITUTE COLORED WOMEN AND CHILDREN.

This institution is located in a substantial, modern brick building at the terminus of Eighth street extended. Its location insures free access of light and air from all sides. It contains a subbasement, basement,

and two upper stories. It is heated throughout by hot air, lighted by gas, connected with the public sewer and water main. It is without fire escape or means of extinguishing a fire, but has 4 stairways.

In the subbasement are located 3 furnaces, 2 others being located on the floor above. The laundry, kitchen, pantries, dining room for children, carpenter shop for manual training, and room for the janitor are located in the basement. The parlor, waiting room, private dining room, and other offices are upon the first floor.

There are located in the basement 5 rooms, occupied by aged women, all provided with heat from the furnaces by means of registers, and ventilated through the windows and doors; a somewhat unreliable method of ventilation when the character of the occupants is considered. The single water-closet upon this floor, available for the use of the occupants of these rooms, is accessible only through one of the bedrooms.

The schoolrooms, of which there are 2, are located upon the first floor, 1 accommodating 50 pupils and the other 42, each being well lighted and ventilated. These are used only for the inmates of the institution. A sewing room located upon the first floor is similarly well provided for. A kindergarten room may be said to be in the same condition, but is heated by a stove instead of by the furnaces.

There are 5 dormitories, 1 being located upon the first floor and 4 upon the second. These rooms are all of sufficient size, well ventilated, and, with a single exception, properly lighted.

On the top floor is located a small room containing 2 beds and used as a sick ward. It is provided with sewer connections, but is without proper water supply. A small room used as a morgue adjoins it.

There is 1 water-closet in the basement, already mentioned, accessible only through a bedroom, 3 upon the first floor, 3 upon the second, and 4 in the yard. There are 2 bath tubs on the first floor and 2 upon the second. The plumbing is generally of modern construction and in good condition.

The yard is large and properly graded and drained.

The cleanliness of the establishment was excellent throughout.

This institution accommodates 100 children, 10 aged women, and an administrative force of 15. It contained at the time of inspection 61 boys and 38 girls, of ages varying from 2 to 12 years, and 9 women, each having individual towels, but without toothbrushes, and using combs and hairbrushes in common.

From a sanitary standpoint this institution may be said to be generally in good condition. Convenience of administration would, however, be facilitated by the introduction of steam or hot water as a means of heating, and at the same time reducing the number of furnaces. It is to be regretted that there is no proper accommodation for the inmates, either the aged women or children, during the day. The provision of proper sitting or assembly rooms would facilitate the ventilation and

supervision of the sanitary condition of the bedrooms. The bathing facilities are insufficient for the number of persons to be accommodated—4 bath tubs for 125 persons.

At the time of inspection some of the plumbing was being remodeled and an area way constructed along the north wall, so as to prevent dampness in the carpenter shop in the basement.

WASHINGTON HOSPITAL FOR FOUNDLINGS.

This institution, an infant asylum pure and simple, is located at No. 1715 Fifteenth street NW. It consists of a well-built two-story and basement brick building, heated throughout by steam by direct radiation and lighted by gas, and two small frame buildings, one of which is used as a laundry and the other as a morgue. All of these buildings are connected with the public sewer and water main.

The institution is not provided with fire escapes or means of extinguishing a fire should one occur. It has, however, in addition to a stairway within the building, another one, though of wood, on the outside.

In the basement of the main building are located the linen room, boiler room, janitor's bedroom, coal vaults, kitchen, pantry, dining room, storerooms, and one room used for drying clothes during inclement weather. The basement is provided with a good cement floor, well lighted, and properly drained. On the first floor are located an office, parlor, rooms for the matron and head nurse, 3 bath rooms, 4 water-closets, and a room in which the milk is kept, which may properly be denominated the milk room. The remainder of the first floor is taken up by a ward containing 16 cots, having an average allowance of air space of 894 cubic feet. Adjoining the ward is an inclosed porch for the use of the children during inclement weather. In addition to the 16 windows and 3 doors available for ventilation, 2 large ventilators have been provided. There is a large stove in the ward, for use during those periods of the year when it is not necessary to maintain steam heat throughout the building, but when it is desirable that some artificial warmth be provided during the morning or evening or upon occasional chilly days.

On the second floor are located 5 nurses' rooms, 1 general ward and 1 ward for the purpose of isolation. There are also upon this floor 2 bathrooms and 2 water-closets in connection with the general service of the hospital, and 1 water-closet in connection with the isolation ward. The general ward contains 19 cots, adjoining which and extending the length of the room is an inclosed porch, similar to that described in connection with the ward on the first floor. The average air space for each cot is 640 cubic feet. The ventilation is similar to that in the ward upon the first floor, and a corresponding arrangement is made for supplying artificial warmth during the months of fall and

spring when it is not necessary to heat the building generally. The rooms other than the wards are provided with open fireplaces to assist in ventilation.

The plumbing generally is in good condition.

The morgue is a small frame structure provided with sewer and water connections, but without means of heating when desired.

The laundry is also of frame, provided with stationary tubs having hot and cold water connections, the hot water supply being independent of that of the main building. It has no steam drying apparatus, and is more or less dilapidated, especially the floor.

The yard is large and well graded and drained.

The institution was clean and well kept throughout.

There were living in this institution at the time of the inspection 36 inmates, all under 5 years of age, 17 of whom were under 1 year, and an administrative force of 19. Its capacity was stated to be 50 inmates.

This institution is well designed and constructed for its present use. The laundry is, however, dilapidated and should be replaced as soon as possible.

In case of an epidemic of any kind the isolation ward would be insufficient to meet the requirements of the situation, especially if more than one contagious disease were present at the same time. A separate building should be provided for such an emergency.

ST. ANN'S INFANT ASYLUM.

This institution, which partakes rather of the nature of an orphan asylum than of one for infants, is located at No. 2300 K street NW., and occupies the entire block. It is of brick, consisting of four stories and cellar, heated throughout by hot water by direct radiation, lighted by gas, and connected with the public sewer and water main. Its location insures access of light and air from all sides. It is without fire escapes or means of extinguishing a fire should one occur, but has 5 stairways and 4 exits from the building.

The cellar, which has a brick surface, is used simply for the accommodation of the boilers and storage of fuel.

The laundry is situated on the first floor, provided with stationary tubs having hot and cold water connections, and with steam-drying apparatus. A separate room is provided for ironing. The kitchen and pantries are also on this floor, together with one dining room for the children and two others, one for the sisters and one for the help. The office and parlors are upon the second floor.

On the first floor are located two play rooms for the children, one of which is also used as a kindergarten room, and there is also a play room upon the floor above. These rooms are well lighted and susceptible of proper ventilation if due attention be paid to the windows and doors. The sleeping room for the engineer and driver is on the first floor, and

ten sleeping rooms for the remainder of the administrative force upon the third and fourth floors.

The dormitories are upon the second, third, and fourth floors. One on the second floor contains 25 cribs, with an average air space of 348 cubic feet; the second, on the same floor, contains 12 cribs, with an average air space of 426 cubic feet; a third, on the third floor, has a capacity of 10 beds, with an average air space of 499 cubic feet; a fourth, on the third floor, accommodates 25 children, with an allowance of 593 cubic feet air space each, and the fifth, on the fourth floor, accommodates 15 children, with an average air space of 521 cubic feet. All of these rooms are well lighted and may be properly ventilated if due attention be paid to the windows and doors, though the ventilators, of which each contains one or two, are of some value. The dormitories adjoin inclosed porches, extending along their entire length.

On the fourth floor, the uppermost floor of the building, is located the sick ward, provided with 3 beds and having total cubic contents of 4,915 feet, adjoining and in communication with which is a bathroom. An infirmary for the accommodation of such sisters as may be sick is located upon the third floor.

There is 1 bath tub on the first floor, 1 on the second, 3 on the third, and 2 on the fourth. There is a wash room for the use of the children on the first floor, another on the third, and a number of stationary washstands scattered throughout the building. Water-closet accommodations are provided chiefly by latrine closets, amounting to 29 seats in all. While some of the plumbing in this building is of modern type, most of it is old and defective.

The yard is well graded and drained, and in it are 2 summer houses. It also contains a pump which is, I am informed, used by the inmates during summer.

This institution was throughout exceedingly clean and apparently well kept.

In addition to an administrative force of 10, this asylum was said to contain at the time of inspection about 80 inmates, varying in age up to 7 years, 25 being below 1 year of age and 45 below 2 years of age. The estimated capacity of the institution, as stated by the sister in charge, is 125. Infants which come into the care of this institution are farmed out so as to secure the alleged advantages of wet nursing. As only 6 infants were seen, and certainly not 45 children below 2 years of age, it seems apparent that those placed out are counted among the inmates.

With but few exceptions, every part of this building is well lighted, and is constructed so that it can be properly ventilated. In view of the fact that the ages of the actual inmates is such as to render it unnecessary for them to occupy the dormitories except at night, the air space may be said to be sufficient. Some of the plumbing is good, but most of it is old and defective, and should be replaced at once.

GERMAN ORPHAN ASYLUM.

This institution is located on the Good Hope road on the outskirts of Anacostia. It comprises one modern brick building and a smaller frame structure, located upon about 32 acres of land. The main building is heated by hot water by direct radiation, lighted by gas, and connected with the public water service, but no public sewer is available for use. Neither building has fire escapes, but in the main building hose are always connected ready for use, lying on the brackets in the corridors, and the stairways, of which there are two, are located at the extreme opposite ends of the building.

The main building consists of a basement, two stories, and attic. In the basement are located the laundry, ironing room, furnace and fuel room, a bathroom having a shower bath, and a play room, which in summer is used as a dining room. The laundry is provided with stationary wash tubs, hot and cold water connections, and a steam drier.

On the first floor a play room, hall, and directors' room are located on one side of the corridor, and so arranged that they can be thrown into one large assembly hall; on the other side of the corridor is a library and dining room, while in the rear of the building is the kitchen, a room for sick inmates containing three beds, and a parlor for the use of the superintendent. A toilet room is also located upon this floor, which contains two water-closets.

The dormitories and toilet facilities generally are located upon the floor above. The boys' dormitory contains 26 beds, with an average air space of 494 cubic feet. The girls' dormitory contains 23 beds, with an average of 567 cubic feet. Both of these rooms are well lighted, and special arrangements for ventilation are furnished by means of ventilators in the ceiling. There is a small sleeping room on this floor, adjoining one of the dormitories, which may be used for the isolation of any inmate whom it is desired to separate from the others. For the use of the boys there is provided a toilet room containing 4 closets, and in another room 5 stationary washstands and 1 bath tub. Similar conveniences are provided for the girls. The superintendent's bedroom and the sewing room are also located on this floor.

In the attic are 3 iron tanks, each having a capacity of 3,000 gallons, in which the water used in the institution is stored by means of steam pumps.

The second building is a frame structure containing 6 rooms, and reserved for use in case of contagious diseases. It is without water or sewer connections.

The house drainage from the main building is conveyed some distance away from the building and finds its way into a small stream at a point not remote from its entrance into the public sewer. The drainage from the water-closets is conveyed to a cesspool, the overflow uniting with the discharge from the house drain and the solid contents being

disposed of upon the fields from time to time. A privy is located back of the stable for the use of the boys during their playtime.

The plumbing throughout is of modern construction and with one or two minor exceptions was in good condition at the time of inspection.

A considerable portion of the grounds is under cultivation. The buildings are located upon a knoll. which insures in a general way proper drainage.

The general condition of the institution as to cleanliness was fair.

The capacity of the institution was stated to be 60, with an executive force of 6. The number of inmates at the time of inspection was 49, of which number 26 were boys and 23 were girls, each provided with individual towels, comb, hairbrush, and toothbrush.

The location of this building is excellent, as is also the construction and plan. The necessity for storing water in tanks by pumping it from the water main is to be regretted, but is one over which the institution has no control. The same may be said as to the method of disposing of the sewage. The method of disposing of the drainage from the refrigerator is by allowing it to enter a hole in the earth beneath the concrete surface of the cellar, and there to be absorbed, which is certainly not advisable. The bathing facilities are insufficient. On the whole, however, the location, plan, and construction of this institution represent a most commendable and intelligent appreciation of the sanitary necessities of its work.

CHURCH ORPHANAGE OF ST. JOHN'S PARISH.

The Church Orphanage of St. John's parish occupies two substantial brick buildings located at the southeast corner of Twentieth and F streets NW. The main building, formerly a dwelling, consists of three stories and basement, and the smaller, intended as and constructed for an isolation building, consists of two stories. Both are heated throughout by steam by direct radiation, lighted by gas, and connected with the public sewer and water main. The main building has two fire escapes and two stairways. Neither building has means of extinguishing a fire should one occur.

The laundry is provided with stationary washtubs, with hot and cold water connnections and with steam drying apparatus, and is located in the basement, together with the kitchen, pantries, and dining rooms, one for the servants employed on the premises and one for the children. A private dining room, a reception room, and a parlor or office are located on the first floor. Day rooms for the children are also located here; that is, a schoolroom, a play room, and library, a sewing room and a kindergarten room. The schoolroom is provided with seats for 50 pupils and has 6,800 cubic feet air space. It was occupied by 37 pupils at the time of inspection, which allowed 184 cubic feet air space each.

Upon the second floor are located, in addition to the chapel, two dormitories, one containing 14 beds with an average air space of 368 cubic feet, and the other 15 beds with an average air space of 358 cubic feet. There are three dormitories located upon the third floor, one containing 15 beds with an average air space of 354 cubic feet, the others containing 19 beds and 12 beds, respectively, and having a considerably larger air space.

In connection with one of the dormitories on the second floor, and with one on the third, there are located water-closets having no ventilation other than through the dormitories. Upon the second floor there is a bath and wash room with four bath tubs and three water-closets; there is also a water-closet located in the corridor. There are three water-closets, three bath tubs, and corresponding facilities for washing upon the floor above.

The second building which has been referred to consists merely of two large rooms, one above the other, access to the upper floor being provided by an outside stairway. Each room is provided with a water-closet and sink; the one on the second floor has also a bathroom. Both are well lighted and properly heated. The building is intended for the isolation of such inmates as may have contagious diseases. In the absence of any occasion for such use, the lower floor is used as a kindergarten room.

Some of the plumbing is of modern pattern and some is of older type. With this understanding, it may be said to be in good condition.

The yard is properly graded and drained.

The institution was throughout clean and well kept.

The estimated capacity is between 80 and 90 inmates, and the quota is usually filled. The ages of these inmates vary from 4 to 18 years. At the time of inspection the institution contained 36 boys and 50 girls.

Considered as a whole, the institution is well kept and suited for its present use. The water-closet accommodation, however, appears to be inadequate, especially in the absence of urinals for the boys. The water-closets connecting with the dormitory on the second and third floors and the one in the passageway might with advantage be moved to some point where they would secure direct connection with the external air. The isolation building might with advantage be provided with a bath tub on the first floor, in the interest of the nurses who may be confined there, as well as of the convalescent patients. The heating apparatus is said to be hardly sufficient.

ST. ROSE INDUSTRIAL SCHOOL.

This institution is located at No. 2023 G street NW. It occupies a substantial four-story and basement brick building, heated by steam by direct radiation, lighted throughout by gas, and connected with the public sewer and water main. This building is so situated as to receive

light and air from all sides. It is without fire escapes or means of extinguishing a fire should one occur, but has several stairways.

In the basement are located the laundry, kitchen, pantry, dining rooms, a play room for the children, and a bathroom, containing four bath tubs. These rooms are all dark, and the dining room is insufficiently heated. The laundry is provided with stationary tubs, with hot and cold-water connections, but is without steam-drying apparatus.

On the first floor is the reception room, two private dining rooms, a fitting room and two sewing rooms, and an oratory. The sewing rooms are used by the inmates, who help to support the institution by their work, one being equipped with sewing machines, operated by a gas engine, located in the basement.

The schoolroom, chapel, bedroom for the Sisters, and children's clothes room occupy the greater portion of the second floor.

On the third floor are located two dormitories, each containing 16 beds, while on the fourth floor are two, each containing 15 beds. None of these rooms are provided with facilities for heating, and such ventilation as is received is by means of windows and doors. There is an infirmary upon the second floor and another upon the third. On the fourth floor there is a large room which has never been finished, intended for use as a dormitory.

There are four water-closets in the yard, two on the second floor and one on the floor above. There are four bath tubs, already mentioned, in the basement, two on the second floor and one on the third. The wash room is on the second floor. The plumbing is all of modern type and in good condition.

The yard is properly graded, paved, and drained.

The condition of the institution throughout as to cleanliness was excellent.

The total capacity of the institution was given as 65. The number of inmates at the time of inspection was 63, with an administrative force of 9. Each inmate is provided with her own towels, comb, hairbrush, and toothbrush.

The institution is as a whole well equipped for its present work. The rooms in the basement of the building are, however, poorly lighted and ventilated, and the dining room is insufficiently heated. The dormitories are not heated at all. No sufficient provision has been made for the isolation of inmates having, or suspected of having, contagious diseases.

ST. JOSEPH'S ORPHAN ASYLUM.

St. Joseph's Orphan Asylum is located on the north side of H street, between Ninth and Tenth streets NW. It occupies a substantial brick building, part of which is three stories high, and the remainder four, with a two-story building in the yard used as a laundry and boiler house. It is heated throughout by steam by direct radiation, lighted

by gas, and connected with the public sewer and water main. The main building is situated so as to receive light and air from all sides. It has fire escapes and two stairways, but has no means of extinguishing a fire should one occur.

On the first floor are located the general dining room, the sisters' dining room, the kitchen, a storeroom, a schoolroom, a wash room, and a toilet room containing eight closets. The laundry and boiler room are located on the corresponding floor of the small building. The laundry has stationary washtubs with hot and cold-water connections, but is without steam drying apparatus.

On the second floor are two schoolrooms, each accommodating 35 pupils, with an allowance of approximately 244 cubic feet of air space per pupil, a library, an office, a private sitting room, and a dormitory. This dormitory contains 47 beds with 278 cubic feet of air space each.

On the third floor is a schoolroom similar to those on the floor below, two sleeping apartments for the sisters, and a dormitory. The dormitory contains 52 beds, with an average air space of 335 cubic feet.

A sewing room, a clothes room, three sleeping rooms for sisters, and an infirmary for children (with two water-closets) are on the fourth floor.

In addition to the eight water-closets in the first floor, there are two on the second, two on the third, two on the fourth, and six in the yard. There are three bath tubs on the second floor, and one on the third. The plumbing throughout the entire building is of old pattern.

The yard is properly graded and drained.

The building was, at the time of inspection, clean and apparently well kept.

The capacity of the institution was stated to be 85; the administrative force 14. The age of the inmates varies from 6 to 14 years. The number of inmates at the time of the inspection was 85. Each inmate is provided with his own towels, comb, hairbrush, and toothbrush.

This institution is in a general way provided with the necessary facilities for its work, but it is deficient in bathing facilities. Some of the plumbing is badly constructed and located and should be remodeled. One of the schoolrooms in improperly lighted.

NOTE.—The number of schoolrooms is rendered necessary by the fact that a private school is maintained, in connection with the orphan asylum, for outside pupils.

NEWSBOYS AND CHILDREN'S AID SOCIETY.

This institution is located at the southeast corner of Third and C streets NW. It occupies two substantial brick buildings, both heated throughout by steam, by direct radiation, and lighted by gas, though lanterns are used at places on account of greater convenience. Each building is so located as to receive light and air from all sides, though no provision is made for ventilation except by natural means. The

main building has a fire escape; the new building is not so provided, and neither has more than a single stairway. Both buildings are connected with public sewer and water main. The main building consists of a cellar, basement, two full stories, and an attic; was erected as a residence some years ago, and conforms in its general plan and construction to the ideas in vogue at the time of its erection in reference to the best class of dwellings. The only change since its adaptation to its present use has been the introduction of improved methods of heating and drainage; possibly the recent conversion of a veranda into a dining room, to take the place of the one formerly in use, should be mentioned in this connection.

The cellar extends beneath the entire building, and contains the heating apparatus only. The portion of it in which the boilers are located, and that immediately adjoining, has a good cement floor; the remainder is unpaved but shows no evidence of dampness. Light is admitted through small windows, located in deep narrow wells which are not drained.

In the basement are located the kitchen, pantry, laundry, clothes room, and lavatory. The laundry is provided with stationary tubs and hot and cold water connections. The lavatory contains six wash basins, five shower baths, and two water-closets; in it are located the lockers for the boys' clothing, as they dress and undress here and not in the dormitories. The baths are so located as to be disagreeably dark. The supply of hot water for bathing is derived from a small stove in an adjoining room, is independent of any other hot-water service, and is, I am informed by the superintendent, sufficient at all times.

On the first floor, in addition to a large room used as a reception room, parlor, and office, are the dining room, butler's pantry, and one sleeping room. A wide hallway runs the entire depth of the building, opening at the rear into the dining room. The dormitory located on this floor has but a single window, opening on the north, and contains 5 beds, with an average air space of 514 cubic feet each.

On the second floor are the superintendent's bedroom and bathroom and 3 dormitories. One of the dormitories contains 7 beds, with an average air space of 412 cubic feet per inmate, and has 2 windows; the second contains 5 beds, with 435 cubic feet of air space each, and is provided with 1 window; the third, 5 beds, with an average air space of 500 cubic feet, and with 1 window. As on the first floor, a wide corridor extends through the building, but terminates in the rear in the superintendent's bathroom.

On the third or attic floor are 4 sleeping rooms. Of these one contains 9 beds with an average of 293 cubic feet of air space, and is lighted and ventilated through two windows whose combined area is but 13.3 square feet; another contains 6 beds with an average of 291.5 cubic feet, and two windows whose combined area is 15.25 square feet; the third contains 5 beds, and an average of 352 cubic feet air space and a window area of 15.25 square feet; while the fourth accommodates 4

beds, has an average air space of 314 cubic feet, and a window area of 16.8 square feet. There is also located on this floor a girl's toilet room containing 1 bath tub, 5 wash basins, and 2 water-closets, and a tower, called the sun parlor, in which is 1 bed.

The second building has been constructed solely with reference to its present use, but this use comprehends the instruction and entertainment of the newsboys of the city, not necessarily inmates of the institution. For this purpose there is located on the first floor a reading room, a gymnasium with attached bathroom, containing 1 bath tub, 1 shower bath, and 12 lockers. The lavatory is separate and contains 2 wash basins. A toilet room containing 1 water-closet is also provided. Upon the second floor is an assembly hall in which classes are held for the inmates of the institution. This room is large, well lighted, and susceptible of good ventilation by proper attention on the part of the teachers. Such sleeping apartments as are in this building are located on the floor above, the third. This floor is practically one large room, as the upper part of the partitions between the sleeping apartments and that separating them from the corridor consists simply of wire netting. Provision is made for 14 beds, each having an average air space of 453 cubic feet independently of that in the corridor, except one apartment containing a double bed and having an air space of 817.58 cubic feet. Each apartment has a window of good size opening directly into the outer air. There is also on this floor a toilet room containing 1 water-closet and 2 wash basins, which are only used when required by some emergency.

The yard is paved with brick and well drained. While not large, it is of sufficient size to provide some playground for the inmates.

The yard and the new building were thoroughly clean. The main building did not present so satisfactory an appearance, owing, possibly, to the somewhat somber finish of the interior of the building itself.

There were in the institution at the time of inspection 45 children—29 boys and 16 girls—of ages ranging from 6 to 16 years. The children have no individual towels, nor combs and brushes, unless they have diseased scalps. Some have toothbrushes and others have none. The executive force consisted of 13 persons. The proper capacity of this institution would appear to be somewhat less than the present number of inmates.

The institution is generally well adapted to its present purposes. The floor of the cellar of the main building should, however, be cemented where this has not already been done. The dormitories in the attic are overcrowded; the number of occupants should be diminished or their use altogether abandoned. Provision for the isolation of inmates having, or suspected of having, contagious diseases, and for the accommodation of those who may be sick, is urgently needed. Urinals might with advantage be provided for the boys and additional bathing facilities for the girls.

WOMEN'S CHRISTIAN ASSOCIATION.

The Women's Christian Association is located at 1719 Thirteenth street NW., and consists of a three-story and basement brick building and a one-story frame building known as the nursery, each so situated as to receive light and air from all sides. The institution is heated partly by steam by direct radiation and partly by stoves, is lighted throughout by gas, and the main building is connected with the public sewer and water main. It is without fire-escapes or means of extinguishing a fire should one occur, but has two stairways.

In the basement of the main building are located the laundry, furnace room, kitchen, and associated offices, together with two water-closets.

On the first floor are located two parlors, one of them being used as a general sitting room for the inmates, and the dining room and pantry. The remainder of this floor, as well as the upper two floors, is divided into bedrooms. On the first floor there are one apartment containing 3 single beds, three each containing 2 single beds, and two each containing 1 single bed. One of the last-mentioned rooms is quite large and is utilized as a sitting room for help. On the second floor are five bedrooms each containing 2 single beds, and nine each containing 1 single bed. On the third floor are nine rooms each containing 1 single bed, five each containing 2 single beds, and one room, for helpers, containing 5 single beds, only 2 of which, however, are usually occupied, the remaining beds being kept for transients. These rooms are all of sufficient size, but depend for ventilation upon the regulation of the windows and doors, which is not desirable where several persons occupy the same room, and especially where, as in the present case, many of the rooms are heated by stoves and are occupied by the inmates during the day as sitting rooms, as well as for sleeping rooms at night.

On the first floor is located one lavatory containing one bath tub and two water-closets; on the second floor is a lavatory of similar capacity. The plumbing was, at the time of inspection, free from obvious defects.

The parlors, office, and matron's room are heated by steam; also the dining room, helper's sitting room and bedroom. The remaining rooms, with the exception of five, are heated by stoves; the five excepted are not provided with any special means of heating.

This building was throughout clean and well kept.

The frame building referred to, known as the nursery, contains three rooms, having a total capacity of 9 beds. The rooms are of ample size and well lighted. Ventilation depends upon the regulation of windows and doors, and in one room is facilitated by the construction of ventilators through the roof. This building is heated by stoves and has neither water nor sewer connections. Its general condition as to cleanliness was poor, due possibly to the fact that the building itself is old and not in the best condition. It was pervaded throughout at the time of inspection by a disagreeable odor. It is used, I am informed, as a day nursery for mothers with babies.

The yard is properly graded and well drained.

The number of occupants at the time of inspection was 54, of whom 48 were adults and 6 were children, with an administrative force of 7. Twelve of the inmates are between 60 and 80 years of age.

The institution is generally well adapted to its purpose. The nursery should, however, be destroyed and replaced by a better building. The method of heating is objectionable and should be replaced by steam or hot-water heat combined with some system of ventilation. The bathing accommodations (two bath tubs) are, in view of the number of occupants, manifestly insufficient.

YOUNG WOMAN'S CHRISTIAN HOME.

This institution is located at No. 311 C street NW., in a substantial brick building of four stories and basement, which was originally a dwelling house, but which has been somewhat remodeled and greatly added to, so that the old is now more or less obscured in the new. The lot upon which it is located is of considerable size, and the building so situated as to receive light and air from all sides. The building is heated throughout by hot water by direct radiation, lighted by gas, and connected with the public sewer and water main. It is without fire escapes or means of extinguishing a fire should one occur, but has front and back stairways.

In the basement are located the pantry, kitchen, sewing room, and laundry. This part of the building is poorly lighted, especially the laundry, a matter which, however, does not very materially affect the inmates. The laundry is provided with stationary tubs, with hot and cold water connections, but is without steam-drying apparatus.

On the first floor is the parlor, library and sitting room combined. dining room, and two bedrooms. One of the bedrooms, at the extreme rear of the building and adjoining the matron's room, is set apart for the use of such inmates as may be sick.

The three upper floors are divided into sleeping apartments. Those in the old part of the building, three only, are furnished with double beds and accommodate two occupants each, while those in the new building are used by but one person. The rooms are well lighted throughout. Ventilation depends upon the proper arrangement of windows and doors, except two rooms, which have ventilators, and three rooms, which have open fireplaces; as, however, there are no dormitories, they can be adjusted to suit the demands of the individual occupants of rooms, and it is therefore not objectionable, especially as a sufficient amount of cubic air space is allowed for each person.

Each of the three upper floors is provided with a bathroom containing a single tub, a stationary washstand, and a water-closet. There is also a water-closet in the yard. A part of the plumbing is of old pattern and some of modern construction. With this understanding, it may be said to be free from obvious defects.

The yard is properly graded and drained.

The cleanliness throughout was excellent. The capacity was given

as 25. The number of inmates at the time of inspection was 23, all adults. The executive force consisted of 5.

The use of double beds may be considered objectionable. The bathing facilities appear to be deficient in view of the limited time at the disposal of the inmates within which to avail themselves of them. With these exceptions, the institution appears to be well constructed, well kept, and in every way suited for its purpose.

ASSOCIATION FOR WORKS OF MERCY.

The establishment maintained by this association, known as the House of Mercy, is located at No. 2409 K street NW., and consists of two connected buildings, one having three stories and basement and the other two stories only. Both are of brick and were originally dwelling houses. It is heated by hot-air furnaces, lighted throughout by gas, and is connected with the public sewer and water main. The buildings are located so as to receive light and air from all sides. It is without fire escapes or means of extinguishing a fire should one occur, but has front and back stairways.

The cellar is occupied by two furnace rooms, one combined dining room and kitchen, the laundry, and a toilet room. The laundry is provided with stationary tubs with hot and cold water connections, but is without a steam drier.

On the first floor are an office, a parlor, two recreation rooms, one of which is also used as a sewing room, a dining room for the sisters in charge, a pantry, and a chapel.

On the second floor are 2 dormitories, one containing 9 beds, with an average air space of 560 cubic feet; another, 5 beds, with an average of 630 cubic feet; a room used for the accommodation of the sick, which contains 4 beds, with an average air space of 850 cubic feet each; 6 single bedrooms and 2 bathrooms. One bathroom contains 1 closet and 1 bath tub, and the other 2 closets and 1 bath tub.

Two other dormitories, located on the third floor, contain 6 beds each, with an average of 504 and 536 cubic feet air space, respectively.

There are, altogether, 4 water-closets and 2 bath tubs connected with the institution. The plumbing is of modern construction and in good condition.

The yard is large, properly graded, and well drained.

The institution was throughout clean and apparently well kept at the time of inspection.

The capacity of the institution was reported as 26, with an executive force of 6. The number of inmates at the time of inspection was 18, all adults, with a single exception. Each individual is provided with her own towels, comb, hairbrush, and toothbrush.

In a general way this establishment is in good sanitary condition, the needed improvements being rather in the line of added convenience than of better sanitation. No proper facilities exist, however, for the isolation of inmates suffering from or suspected of having contagious diseases.

HOPE AND HELP MISSION.

This institution, which is the headquarters of the National Florence Crittenton Mission, is located in a four story and basement brick building, formerly used as a private dwelling, at 218 Third street NW. It is lighted throughout by gas, heated by hot water by direct radiation, and connected with the public sewer and water main. It is without fire escapes or means of extinguishing a fire should one occur, but has two stairways. This institution until recently occupied this building under rental. It has, however, recently acquired title to the property, and proposes, as funds become available, to make such changes as are needed, and has, in fact, already made considerable progress along this line.

The laundry, wash room, kitchen, pantry, and dining room are located in the basement. The laundry is without either stationary tubs or steam-drying apparatus. The parlor, office, matron's room, and emergency room are located upon the first floor.

The accommodations for the inmates are distributed as follows: On the second floor are one maternity ward containing 2 beds, one convalescent room containing 3, a room for the nurse, a sitting and sewing room, a small bedroom, a room for the cook (who is one of the inmates), and a bathroom.

On the third floor are two rooms, each intended for the accommodation of a mother and child; a nursery for the infants, containing 8 beds; a room for the mothers, containing 4 double beds; two rooms, each containing 1 bed, and two rooms which are about to be fitted up for the isolation of inmates having communicable diseases.

On the fourth floor are two large rooms containing 2 double beds and 1 three-quarter bed, and accommodating 5 inmates each, and three others containing 1 bed each.

Nearly all of the bedrooms are provided with double beds. They are well lighted; but must depend for ventilation upon the proper adjustment of windows and doors.

There is one water-closet in the basement. One bathroom is located upon the first floor, containing one water-closet, one bath tub, and one stationary wash basin, and another similar room is located upon the second floor. The plumbing, while not of modern construction, is in fair condition.

The yard is provided with sewer connections, but is not properly graded so as to secure the benefit thereof.

The condition of the institution as to cleanliness was fair. This may be considered as due, in part at least, to the facts that the building has not been kept in repair by its former owner, and that the inmates, who have not been properly trained for such work, must be relied upon for domestic service. The absence of the regular matron may also, in part, account for this condition.

The capacity of the institution is 50. At the time of inspection it contained 30 adult inmates and 20 infants, with an administrative force of 1.

The bathing and water-closet facilities are deficient. Modern apparatus in the laundry would facilitate this part of the work. The double beds should be replaced by single ones as soon as possible.

HOUSE OF THE GOOD SHEPHERD.

The House of the Good Shepherd is located at the intersection of Thirty-sixth and T streets NW., and occupies two brick buildings, both so situated as to receive light and air from all sides. They are heated throughout by hot air, lighted by gas, and connected with the public sewer and water main. They are not provided with fire escapes and have no means of extinguishing a fire should one occur. The main building contains two iron stairways, the smaller building one wooden one.

The main building is a modern brick structure consisting of four stories and cellar. In the cellar are located the laundry, four furnace rooms, a baking room, two storerooms, fuel rooms, and two water-closets.

The first floor contains reception rooms, kitchen, dining rooms for the sisters in charge and for the inmates, bathrooms, and water-closets.

The second floor contains two parlors, a chapel, a large classroom, and a sewing room equipped for machine sewing.

On the third and fourth floors most of the space is taken up by the dormitories for the inmates and for the sisters. The fourth floor contains, however, in addition, a large room for the isolation of cases of contagious diseases, should they occur, and a schoolroom for the younger children. The dormitories for the inmates who live in this building are all on the third floor. One contains 5 beds, another 7, and the third 35, the air space in all being ample. The dormitories for the sisters are all located in the extreme eastern end of the building upon the third and fourth floors.

In addition to the closets in the basement, there are upon the first floor 7 and upon the second floor 2. Upon the first floor there are 6 bath tubs for the use of the inmates. The plumbing is all of modern construction and in good condition.

The second building which has been referred to was formerly a private residence. It is built of brick and consists of two stories and cellar. The cellar is only used for the accommodation of the heating apparatus. On the first floor are located a class room in which, at the time of inspection, there were 36 pupils, which number allowed 167.5 cubic feet air space per pupil; a play room or music room for the children, a dining room, and a bathroom containing 1 bath tub and 1 closet. On the second floor are located 3 dormitories and a bathroom similar to that on the floor below. One dormitory contains 13 beds, with an average air space of 433 cubic feet each; another 19, with an average air space of 317 cubic feet, and the third 4, with an average air space of 307 cubic feet. The plumbing in this building is not of so recent construction as that in the other, but is in good condition.

The grounds connected with this institution, amounting to an entire block, are properly graded and drained.

The entire establishment was, at the time of inspection, clean and apparently well kept.

The capacity of this institution was given as 100, with an executive force of 16. At the time of inspection there were 83 inmates—50 in the main building, all adults, and 33 in the smaller building, mostly children. Each inmate is provided with individual towels, comb, hairbrush, and toothbrush.

This institution is well constructed and adapted to its present use. It is somewhat surprising, however, to find that in a building so recently constructed as the main building here, it should be heated by four hot-air furnaces, when by the use of steam or hot water a single furnace might have been made to serve the needs of the entire institution.

MUNICIPAL LODGING HOUSE.

The Municipal Lodging House is located at No. 312 Twelfth street NW. in an antique three-story brick building. It is lighted throughout by gas, and where heat is provided it is by means of stoves. It is connected with the public sewer and water service. There are no fire escapes nor means of extinguishing a fire should one occur. It has two stairways.

On the first floor are located the office and superintendent's dining room, the lodgers' dining room, the kitchen, pantry, and in the rear, reached through an area way, a toilet room containing two closets and one urinal. In the area way are located facilities for washing, and to the south of it, on an adjoining lot, are two large rooms for sawing, splitting, and storing wood.

On the second floor are located a dormitory for help containing 4 beds, with an average air space of 306 cubic feet, lighted by one small window. There is also on this floor a dormitory containing 10 beds, with an average air space of 117 cubic feet, lighted by two windows; another containing 7 beds, with an average of 225 cubic feet air space, and a third containing 8 beds, with an average of 182 cubic feet air space, each lighted by a single window. On the third floor is a dormitory containing 2 beds, with an average air space of 215 cubic feet, lighted by a single window; another containing 11 beds, with an average air space of 192 cubic feet, lighted by two windows, and a third containing 12 beds, with an average air space of 168 cubic feet, with two windows. Two beds for lodgers are located in the hallway upon the third floor. A sleeping room for the superintendent is located upon the second floor and another for his assistant upon the third.

A bathroom containing three tubs and heated by a stove is located upon the second floor, the stove furnishing the greater part of the hot water for bathing purposes. Adjoining this room are located two small rooms for the fumigation of the clothes of the inmates.

The plumbing of this institution is all of old pattern and in poor condition, with the exception of one water-closet.

The yard is covered so that there is no necessity for drainage.

Throughout the entire institution everything was in order and scrupulously clean.

The number of inmates varies from day to day, the daily average during the year being about 50. There are 72 beds, but at least 20 persons in excess of this number have been accommodated by providing for them on the floor.

This institution is overcrowded throughout. It is not provided with proper heating facilities or conveniences for carrying on its work, in the way of kitchen accommodations, etc. The general orderly and cleanly condition of the building were in decided contrast to its structural condition, and reflect great credit upon the superintendent.

TEMPORARY HOME FOR EX-UNION SOLDIERS AND SAILORS.

This institution is located at No. 305 Missouri avenue, in a three-story brick building, constructed years ago as a private residence. The cellar, which formerly existed, has been filled on account of dampness. The building is heated by two latrobes, lighted by gas, and connected with the public sewer and water main. It is without fire escapes or means of extinguishing a fire should one occur, and has but a single stairway.

On the first floor are located the kitchen, pantries, dining room, office, and reading room. A smoking room for the use of the inmates is located on the second floor.

The bedrooms are on the second and third floors; three on the former and two on the latter. These rooms, having been designed as bedrooms for a private residence, are rather small for their present use, in fact it is only by special attention to ventilation that they can properly be so used at all. The superintendent and janitor occupy the hall rooms upon the second and third floors.

There is a water-closet in the yard, which has been out of order, but which is now being repaired; and an old water-closet on the second floor is being replaced by two new ones. There is also on the second floor one bath tub and a wash room.

The yard is small, and though properly paved, graded, and drained, is from its inclosed situation damp.

In view of the structural condition of the premises, the cleanliness throughout is worthy of special commendation.

The total capacity of the institution is estimated by the superintendent as 27, and the number of inmates ordinarily from 24 to 25, all adults. The executive force numbers 3.

The general sanitary condition of this institution is poor, the bathing facilities being inadequate, and some of the rooms small, poorly lighted, and hardly susceptible of proper ventilation.

APPENDIX D.

Property of charitable institutions exempt from taxation.

OFFICE COMMISSIONERS OF THE DISTRICT OF COLUMBIA,
Washington, D. C., April 2, 1897.

SIR: Agreeably to your request under date of the 27th ultimo, the Commissioners have the honor to transmit herewith a statement of the property in the District of Columbia owned or held by charitable institutions and exempt from taxation, together with the assessed value of such property and the names of the owners of such property.

Very respectfully,

JOHN W. ROSS,
President Board of Commissioners District of Columbia.

Senator JAMES MCMILLAN,
Chairman Joint Select Committee to Investigate Charities, etc.

OFFICE ASSESSOR, DISTRICT OF COLUMBIA,
Washington, April 2, 1897.

Statement of exempt property in the District of Columbia assessed under the designation of charitable institutions.

WASHINGTON CITY.

To whom assessed.	Square.	Lot.	Value of land.	Value of improvements.	Total value.
United States (Columbia Hospital)	25	17 and 18	$137,923	$40,000	$177,923
Association for Works of Mercy	28	20 to 24	14,085	7,300	21,385
St. Ann's Infant Asylum	39	1 to 3	48,996	35,000	83,996
Sisters of Charity Trust (St. Rose Industrial School)	102	4, 5, 19, 21	9,326	25,000	34,326
Lenthal Home for Widows	121	s. 12	3,752	12,000	15,752
Church Orphanage of St. John's Parish	122	8, 9, 15 to 17	13,422	20,000	33,422
James M. Carlisle and others, trustees (Louise Home)	196	10 to 16	172,329	75,900	248,229
Washington Hospital for Foundlings	207	24 to 37	30,469	20,000	50,469
Central Dispensary and Emergency Hospital	228	10	6,192	20,000	26,192
Washington City Orphan Asylum	239	10 to 15	59,767	75,000	134,767
Epiphany Church Home	250	4	8,326	7,000	15,326
Children's Hospital of the District of Columbia	272	All.	72,013	48,000	120,013
Women's Christian Association	276	18 to 24	17,920	15,300	33,220
Night Lodging House Association	293	19	4,666	3,000	7,666
St. Vincent Orphan Asylum	346	6 to 11	121,837	25,000	146,837
St. Joseph's Male Orphan Asylum	375	Part.	24,401	20,000	44,401
Homeopathic Dispensary and Emergency Hospital	W. of 484	of 3	2,369	3,000	5,369
Central Union Mission	459	7	17,616	15,000	32,616
Young Women's Christian Home (trustees)	533	4	7,357	7,800	15,157
Newsboys' and Children's Aid Society	Res. 1!	14	10,800	5,500	16,300
American Colonization Society	Res. B.	37	9,699	8,000	17,699
Institution for education of colored youth	Res. C.	12, 13	6,741	6,000	12,741
National Homeopathic Hospital Association	555	18 to 22	11,030	12,000	23,030
J. F. Hurst and others, trustees (Lucy W. Hayes Memorial Home)	620	23	3,362	12,000	15,362
Little Sisters of the Poor (for aged)	751	1 to 6, 8 to 12	26,211	60,000	86,211
Providence Hospital	764	1 to 14	39,137	100,000	139,137
United States (Naval Hospital)	948	1 to 4	21,819	30,000	51,819
United States (Washington Asylum, Hospital, etc.)	Res. 13	Part.	680,020	400,000	1,080,020
Female Union Benevolent Society	1208	1	2,912	1,500	4,412
Baptist Home of the District of Columbia	1218	81, 82	3,587	5,000	8,587

Statement of exempt property in the District of Columbia, etc.—Continued.

WASHINGTON COUNTY.

To whom assessed.	Location.	Lots or acres.	Value of land.	Value of improvements.	Total value.
House of the Good Shepherd.	Burleith	Lots 1 to 13	$4,203	$42,500	$46,703
Children's Country Home	Bladensburg road	6.96 acres	1,370	2,000	3,370
Washington Home for Incurables.	Broad street	1.10 acres	958	25,000	25,958
Garfield Memorial Hospital.	Boundary	6.60 acres	57,499	70,000	127,499
Colored Orphan Asylum	W. and D. subdivision.	Lots 115 to 120	8,318	30,000	38,318
National Association for Relief Destitute Colored Women and Children.	T. and B. subdivision.	Lots 4 to 9	14,243	30,000	44,243
Methodist Home	Trinidad	Lots 17 and 18	2,100	2,000	4,100
German Protestant Orphan Asylum.	Good Hope	32 acres	12,800	23,000	35,800
United States (Columbia Institute).	Florida avenue	111.42 acres	99,387	300,000	399,387
United States (Freedmen's Hospital).	Seventh street road	Part	52,478	25,000	77,478
United States (Insane Asylum).	Nichols avenue	418.95 acres	132,418	1,030,000	1,162,418
District of Columbia (Industrial Home School).	Thirty-second street	8 acres	21,946	20,000	41,946
United States (Boys' Reform School).	Bladensburg road	266.84 acres	53,368	70,900	124,268
United States (Girls' Reform School).	Conduit road	19.40 acres	5,820	20,000	25,820
United States (Soldiers' Home).	Rock Creek Church road.	474.75 acres	474,750	1,300,000	1,774,750

APPENDIX E.

Number of sick and indigent persons sent to the several hospitals and asylums by the sanitary officer of the Metropolitan police department from 1878 to 1897, inclusive.

WASHINGTON, *October 20, 1897.*

GENTLEMEN: In compliance with the request of Hon. James McMillan, I respectfully submit the following statement showing the number of sick and indigent persons that were sent to the several hospitals and asylums during each fiscal year from 1878 to 1897, inclusive, by the sanitary officer of this department.

Very respectfully,

WM. G. MOORE,
Major and Superintendent Metropolitan Police.

The COMMISSIONERS OF THE DISTRICT OF COLUMBIA.

Sick and indigent persons sent to hospitals and asylums during fiscal years 1878 to 1897.

Freedmen's Hospital:		Freedmen's Hospital—Continued.	
1878	107	1883	602
1879	169	1884	728
1880	313	1885	777
1881	422	1886	873
1882	423	1887	873

Sick and indigent persons sent to hospitals and asylums, etc.—Continued.

Freedmen's Hospital—Continued.	
1888	751
1889	714
1890	802
1891	806
1892	745
1893	761
1894	969
1895	936
1896	918
1897	974
Total	13,663
Providence Hospital:	
1878	140
1879	137
1880	144
1881	249
1882	258
1883	316
1884	234
1885	309
1886	370
1887	437
1888	497
1889	523
1890	597
1891	670
1892	649
1893	677
1894	745
1895	848
1896	933
1897	901
Total	9,634
Washington Asylum Hospital:	
1878	361
1879	364
1880	327
1881	470
1882	390
1883	383
1884	263
1885	239
1886	236
1887	211
1888	234
1889	193
1890	217
1891	320
1892	347
1893	355
Washington Asylum Hospital—Continued.	
1894	320
1895	392
1896	436
1897	410
Total	6,428
Garfield Hospital:	
1885	32
1886	44
1887	49
1888	58
1889	70
1890	47
1891	58
1892	76
1893	127
1894	108
1895	255
1896	320
1897	238
Total	1,482
Columbia Hospital:	
1878	4
1879	5
1880	7
1881	7
1882	10
1883	12
1884	17
1885	19
1886	24
1887	17
1888	18
1889	24
1890	23
1891	28
1892	43
1893	46
1894	62
1895	66
1896	98
1897	91
Total	621
Homeopathic Hospital:	
1884	1
1885	2
1886	2
1887	9
1888	4
1889	7

Sick and indigent persons sent to hospitals and asylums, etc.—Continued.

Homeopathic Hospital—Cont'd.	
1890	16
1891	29
1892	54
1893	71
1894	51
1895	97
1896	98
1897	83
Total	524
Children's Hospital:	
1879	10
1880	8
1881	11
1882	10
1883	26
1884	14
1885	15
1886	23
1887	20
1888	38
1889	34
1890	28
1891	38
1892	47
1893	50
1894	52
1895	31
1896	66
1897	45
Total	566
Government Hospital for the Insane:	
1878	84
1879	115
1880	73
1881	131
1882	143
1883	149
1884	148
1885	169
1886	148
1887	134
1888	162
1889	143
1890	166
1891	171
1892	159
1893	174
1894	207
1895	201
Government Hospital for the Insane—Continued.	
1896	198
1897	201
Total	3,076
Alms House, District of Columbia:	
1882	125
1883	189
1884	98
1885	135
1886	166
1887	176
1888	171
1889	185
1890	160
1891	174
1892	160
1893	161
1894	193
1895	192
1896	210
1897	168
Total	2,663
Emergency Hospital:	
1882	1
1883	.....
1884	.....
1885	5
1886	9
1887	7
1888	8
1889	11
1890	9
1891	10
1892	43
1893	105
1894	67
1895	121
1896	152
1897	164
Total	712
St. Ann's Infant Asylum:	
1878	1
1879	.....
1880	.....
1881	1
1882	1
1883	2
1884	4
1885	17
1886	8

Sick and indigent persons sent to hospitals and asylums, etc.—Continued.

St. Ann's Infant Asylum—Cont'd.

1887	8
1888	10
1889	6
1890	
1891	6
1892	8
1893	11
1894	11
1895	11
1896	3
1897	15
Total	123

Washington City Orphan Asylum:

1884	1
1885	3
1886	3
1887	5
1888	1
1889	
1890	3
1891	5
1892	9
1893	1
1894	3
1895	2
1896	4
1897	3
Total	43

House of the Good Shepherd:

1884	1
1885	2
1886	2
1887	
1888	1
1889	
1890	
1891	2
1892	4
1893	3
1894	1
1895	2
1896	1
1897	1
Total	20

Colored Orphans' Home:

1878	2
1879	
1880	
1881	
1882	
1883	

Colored Orphans' Home—Cont'd.

1884	
1885	2
1886	2
1887	4
1888	1
1889	12
1890	5
1891	11
1892	15
1893	16
1894	2
1895	6
1896	3
1897	2
Total	81

Washington Foundling Hospital:

1887	1
1888	1
1889	
1890	1
1891	8
1892	2
1893	
1894	
1895	2
1896	2
1897	2
Total	19

Home for Incurables:

1889	1
1890	
1891	
1892	
1893	1
1894	3
1895	2
1896	3
1897	
Total	10

Hope and Help Mission:

1890	2
1891	6
1892	3
1893	2
1894	
1895	3
1896	2
1897	2
Total	20
Grand total	39,685

APPENDIX F.

Statement of Appropriations for Charitable Purposes in the District of Columbia for the Fiscal Years 1877 to 1898, inclusive.

[For a statement of appropriations and expenditures from the National Treasury for public and private purposes in the District of Columbia from July 16, 1790, to June 30, 1876, see Senate Ex. Doc. No. 84, Forty-fifth Congress, second session.]

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, D. C., December 4, 1897.

SIR: In reply to your request for a statement showing the appropriations made by Congress for charitable purposes in the District of Columbia from June 30, 1876, to the present time, I have the honor to inclose herewith the desired statement, covering the appropriations made by fiscal years for these objects from 1877 to 1898, inclusive.

Respectfully, yours,

L. J. GAGE, *Secretary.*

Hon. JAMES MCMILLAN,
United States Senate.

Object.	Year.	Amount.	Total.	Appropriated from—
Government Hospital for Insane	1877	$160,000.00		General Treasury.
	1878	159,583.00		
	1879	176,500.00		
	1880	214,806.91		
	1881	174,250.00		
	1882	180,594.38		
	1883	362,500.00		
	1884	226,500.00		
	1885	241,300.00		
	1886	242,138.00		
	1887	260,000.00		
	1888	249,481.07		
	1889	255,015.00		
	1890	246,400.00		
	1891	297,000.00		
	1892	340,130.00		
	1893	309,300.00		
	1894	342,286.00		
	1895	291,760.00		
	1896	304,740.00		
	1897	314,400.64		
	1898	372,721.04		
			$5,721,406.04	
Support and treatment of destitute patients (Providence Hospital).	1877	13,750.00		Do.
	1878	15,000.00		
	1879	15,000.00		
	1880	15,000.00		
	1881	15,000.00		
	1882	15,000.00		
	1883	15,000.00		
	1884	15,000.00		
	1885	15,000.00		
	1886	15,000.00		
	1887	15,000.00		
	1888	17,000.00		
	1889	17,000.00		
	1890	17,000.00		
	1891	19,000.00		
	1892	19,000.00		
	1893	19,000.00		
	1894	19,000.00		
	1895	19,000.00		
	1896	19,000.00		
	1897	19,000.00		
	1898	19,000.00		
			366,750.00	
Garfield Hospital	1886	7,500.00		Do.
	1887	10,000.00		
	1888	10,000.00		
	1889	10,000.00		

Object.	Year.	Amount.	Total.	Appropriated from—
Garfield Hospital	1890	$12,500.00		General Treasury.
	1891	15,000.00		
	1892	15,000.00		
	1893	15,000.00		
	1894	12,500.00		
	1895	19,000.00		
	1896	19,000.00		
	1897	19,000.00		
	1898	19,000.00		
			$183,500.00	
Howard University	1880	10,000.00		½ District revenues.
	1881	10,000.00		General Treasury.
	1882	10,000.00		
	1883	25,000.00		
	1884	18,500.00		
	1885	22,500.00		
	1886	24,500.00		
	1887	25,500.00		
	1888	24,500.00		
	1889	23,400.00		
	1890	23,000.00		
	1891	29,200.00		
	1892	33,200.00		
	1893	29,500.00		
	1894	28,800.00		
	1895	29,500.00		
	1896	34,500.00		
	1897	32,600.00		
	1898	32,600.00		
			466,800.00	
Education of feeble-minded children	1887	2,500.00		Do.
	1888	2,909.57		Do.
	1889	2,500.00		Do.
	1890	3,000.00		Do.
	1891	3,400.00		½ District revenues.
	1891	2,475.60		General Treasury.
	1892	3,400.00		½ District revenues.
	1893	4,300.00		Do.
			24,485.17	
Columbia Institution for Deaf and Dumb	1877	88,000.00		General Treasury.
	1878	117,524.62		
	1879	58,500.00		
	1880	50,000.00		
	1881	61,000.39		
	1882	63,742.07		
	1883	58,500.00		
	1884	58,000.00		
	1885	58,000.00		
	1886	72,000.00		
	1887	63,000.00		
	1888	55,000.00		
	1889	55,000.00		
	1890	57,531.99		
	1891	47,500.00		
	1891	10,500.00		½ District revenues.
	1892	50,500.00		General Treasury.
	1892	10,500.00		½ District revenues.
	1893	52,500.00		General Treasury.
	1893	10,500.00		½ District revenues.
	1894	53,500.00		General Treasury.
	1894	10,500.00		½ District revenues.
	1895	53,500.00		General Treasury.
	1895	10,500.00		½ District revenues.
	1896	83,500.00		General Treasury.
	1896	10,500.00		½ District revenues.
	1897	58,265.00		General Treasury.
	1897	10,500.00		½ District revenues.
	1898	57,500.00		General Treasury.
	1898	10,500.00		½ District revenues.
			1,456,564.07	
Columbia Hospital for Women	1877	24,000.00		General Treasury.
	1878	20,000.00		Do.
	1879	12,000.00		½ District revenues.
	1880	12,000.00		Do.
	1881	18,000.00		Do.
	1882	15,800.00		Do.
	1883	10,000.00		General Treasury.
	1883	15,000.00		½ District revenues.
	1884	20,000.00		
	1885	20,320.53		
	1886	15,000.00		
	1887	15,000.00		
	1888	15,000.00		
	1889	26,300.00		

Object.	Year.	Amount.	Total.	Appropriated from—
lumbia Hospital for Women	1890	$20,000.00		District revenues.
	1891	20,000.00		
	1892	20,000.00		
	1893	20,000.00		
	1894	20,000.00		
	1895	30,000.00		
	1896	25,000.00		
	1897	25,000.00		
	1898	22,000.00		
			$440,420.53	
ildren's Hospital	1877	5,000.00		General Treasury.
	1878	5,000.00		Do.
	1879	15,000.00		District revenues.
	1880	5,000.00		
	1881	5,000.00		
	1882	5,000.00		
	1883	5,000.00		
	1884	5,000.00		
	1885	5,000.00		
	1886	5,000.00		
	1887	5,000.00		
	1888	5,000.00		
	1889	5,000.00		
	1890	5,000.00		
	1891	10,000.00		
	1892	10,000.00		
	1893	10,000.00		
	1894	10,000.00		
	1895	10,000.00		
	1896	10,000.00		
	1897	10,000.00		
	1898	10,000.00		
			160,000.00	
eedmen's Hospital	1877	45,000.00		General Treasury.
	1878	41,500.00		
	1879	40,500.00		
	1880	41,736.00		
	1881	41,800.00		
	1882	44,800.00		
	1883	50,000.00		
	1884	50,000.00		
	1885	50,400.00		
	1886	49,500.00		
	1887	52,435.00		
	1888	53,840.00		
	1889	51,875.00		
	1890	51,025.00		
	1891	54,025.00		
	1892	52,525.00		
	1893	53,025.00		District revenues.
	1894	53,204.88		
	1895	53,150.00		
	1896	54,062.01		
	1897	54,000.00		
	1898	54,000.00		
			1,095,402.89	
ational Association for Colored Women and Children.	1877	10,000.00		General Treasury.
	1878	6,000.00		Do.
	1879	5,000.00		District revenues.
	1880	6,500.00		
	1881	6,500.00		
	1882	6,500.00		
	1883	6,500.00		
	1884	27,000.00		
	1885	9,000.00		
	1886	24,500.00		
	1887	9,000.00		
	1888	7,000.00		
	1889	10,000.00		
	1890	10,700.00		
	1891	12,000.00		
	1892	12,000.00		
	1893	13,000.00		
	1894	7,680.00		
	1895	9,900.00		
	1896	9,900.00		
	1897	9,900.00		
	1898	9,900.00		
			228,480.00	
sform School	1877	10,000.00		General Treasury.
	1878	15,000.00		Do.
	1879	10,000.00		District revenues.
	1880	22,762.84		

Object.	Year.	Amount.	Total.	Appropriated from—
Reform School	1881	$31,000.00		
	1882	34,389.00		
	1883	37,950.00		
	1884	40,450.00		
	1885	34,266.00		
	1886	38,410.00		
	1887	56,116.00		
	1888	47,176.00		
	1889	53,826.70		½ District revenues.
	1890	39,896.00		
	1891	39,066.41		
	1892	45,652.00		
	1893	75,252.00		
	1894	62,452.00		
	1895	50,252.00		
	1896	45,455.00		
	1897	42,242.00		
	1898	42,242.00		
			$874,461.95	
Relief of the poor	1878	20,000.00		General Treasury.
	1879	5,000.00		
	1880	35,000.00		
	1881	30,000.00		
	1882	35,000.00		
	1883	35,114.00		
	1884	15,000.00		
	1885	15,660.00		
	1886	15,000.00		
	1887	15,000.00		
	1888	15,000.00		
	1889	17,500.00		½ District revenues.
	1890	21,000.00		
	1891	21,400.00		
	1892	21,400.00		
	1893	23,527.79		
	1894	18,000.00		
	1895	18,000.00		
	1896	28,000.00		
	1897	17,000.00		
	1898	18,500.00		
			440,101.79	
St. John's Orphanage	1883	6,000.00		General Treasury.
	1884	1,500.00		
	1885	1,500.00		
	1886	1,500.00		
	1887	1,500.00		
	1888	7,500.00		
	1889	5,500.00		
	1890	1,500.00		
	1891	1,500.00		½ District revenues.
	1892	2,000.00		
	1893	2,000.00		
	1894	1,181.00		
	1895	1,800.00		
	1896	1,800.00		
	1897	1,800.00		
	1898	1,800.00		
			40,381.00	
Industrial Home School	1879	5,000.00		½ District revenues.
	1880	5,000.00		
	1881	10,000.00		
	1882	10,000.00		
	1883	5,000.00		
	1884	10,000.00		
	1885	12,500.00		
	1886	12,000.00		
	1887	13,500.00		
	1888	10,000.00		
	1889	11,500.00		
	1890	17,200.00		
	1891	14,000.00		
	1892	11,500.00		
	1893	13,000.00		
	1894	7,680.00		
	1895	9,900.00		
	1896	9,900.00		
	1897	9,900.00		
	1898	41,000.00		
			238,580.00	
Georgetown Almshouse	1880	1,800.00		Do.
	1881	1,800.00		
	1882	1,800.00		
	1883	1,800.00		
	1884	1,800.00		

Object.	Year.	Amount.	Total.	Appropriated from—
rgetown Almshouse	1885	$1,800.00		
	1886	1,800.00		
	1887	1,800.00	$14,400.00	
Ann's Infant Asylum	1879	5,000.00		½ District revenues.
	1880	5,000.00		
	1881	5,000.00		
	1882	5,000.00		
	1883	5,000.00		
	1884	5,000.00		
	1885	5,000.00		
	1886	5,000.00		
	1887	5,000.00		
	1888	6,000.00		
	1889	6,000.00		
	1890	6,000.00		
	1891	6,500.00		
	1892	6,500.00		
	1893	6,500.00		
	1894	3,840.00		
	1895	5,400.00		
	1896	5,400.00		
	1897	5,400.00		
	1898	5,400.00	107,940.00	
nsportation of paupers and prisoners	1880	2,618.42		Do.
	1881	3,507.95		
	1882	3,000.00		
	1883	3,000.00		
	1884	3,000.00		
	1885	3,000.00		
	1886	4,000.00		
	1887	4,000.00		
	1888	4,000.00		
	1889	4,000.00		
	1890	4,000.00		
	1891	4,000.00		
	1892	4,000.00		
	1893	4,000.00		
	1894	4,000.00		
	1895	3,500.00		
	1896	3,544.42		
	1897	3,500.00		
	1898	3,300.00	67,970.79	
pport of insane patients	1880	20,268.97		Do.
	1881	37,000.00		
	1882	45,198.13		
	1883	43,200.00		
	1884	46,700.00		
	1885	50,436.00		
	1886	53,462.00		
	1887	75,132.00		
	1888	75,132.00		
	1889	79,185.00		
	1890	85,000.00		
	1891	87,500.00		
	1892	90,570.00		
	1893	94,700.00		
	1894	96,214.00		
	1895	96,480.00		
	1896	102,260.00		
	1897	104,049.00		
	1898	109,278.96	1,391,766.06	
men's Christian Association	1880	5,000.00		Do.
	1881	5,000.00		
	1882	5,000.00		
	1883	5,000.00		
	1884	5,000.00		
	1885	5,000.00		
	1886	5,000.00		
	1887	4,000.00		
	1888	4,000.00		
	1889	4,000.00		
	1890	4,000.00		
	1891	4,000.00		
	1892	4,000.00		
	1893	4,000.00		
	1894	4,000.00		
	1895	4,000.00		
	1896	4,000.00		
	1897	4,000.00		
	1898	4,000.00	83,000.00	

Object.	Year.	Amount.	Total.	Appropriated from—
Washington Asylum	1880	$45,248.32		District revenues.
	1881	48,040.00		
	1882	54,020.00		
	1883	46,820.00		
	1884	46,320.00		
	1885	52,310.00		
	1886	69,080.00		
	1887	57,385.00		
	1888	53,305.00		
	1889	56,815.00		
	1890	58,442.41		
	1891	89,840.38		
	1892	70,725.00		
	1893	63,345.00		
	1894	62,249.22		
	1895	62,342.02		
	1896	62,915.00		
	1897	65,163.00		
	1898	66,163.00		
			$1,131,128.85	
German Orphan Asylum	1881	10,000.00		Do.
	1883	5,000.00		
	1890	10,000.00		
	1891	6,000.00		
	1892	6,000.00		
	1893	2,000.00		
	1894	1,181.00		
	1895	1,800.00		
	1896	1,800.00		
	1897	1,800.00		
	1898	1,800.00		
			47,381.00	
Building for Little Sisters of the Poor	1881	5,000.00		Do.
	1885	25,000.00		
			30,000.00	
National Homeopathic Hospital Association	1886	15,000.00		Do.
	1887	5,000.00		
	1888	3,000.00		
	1889	6,500.00		
	1890	5,000.00		
	1891	12,000.00		
	1892	9,000.00		
	1893	7,000.00		
	1894	7,000.00		
	1895	8,000.00		
	1896	8,500.00		
	1897	8,500.00		
	1898	8,500.00		
			103,000.00	
Washington Hospital for Foundlings	1887	3,500.00		Do.
	1888	7,000.00		
	1889	12,600.00		
	1890	6,000.00		
	1891	7,000.00		
	1892	6,000.00		
	1893	6,600.00		
	1894	6,000.00		
	1895	6,000.00		
	1896	6,000.00		
	1897	6,000.00		
	1898	6,000.00		
			78,100.00	
St. Rose Industrial School	1887	5,000.00		Do.
	1888	5,000.00		
	1889	5,000.00		
	1890	5,000.00		
	1891	2,500.00		
	1892	2,500.00		
	1893	5,000.00		
	1894	2,953.00		
	1895	4,500.00		
	1896	4,500.00		
	1897	4,500.00		
	1898	4,500.00		
			50,953.00	
House of the Good Shepherd	1887	5,000.00		Do.
	1888	3,000.00		
	1890	15,000.00		
	1891	3,000.00		
	1892	3,000.00		
	1893	3,000.00		
	1894	1,773.00		
	1895	2,700.00		
	1896	2,700.00		

Object.	Year.	Amount.	Total.	Appropriated from—
House of the Good Shepherd	1897	$2,700.00		
	1898	2,700.00		
			$44,573.00	
Association for Works of Mercy	1887	5,000.00		⅛ District revenues.
	1888	3,600.00		
	1889	5,000.00		
	1890	5,500.00		
	1891	8,042.00		
	1892	3,000.00		
	1893	2,000.00		
	1894	1,181.00		
	1895	1,800.00		
	1896	1,800.00		
	1897	1,800.00		
	1898	1,800.00		
			40,523.00	
Central Dispensary	1889	12,250.00		Do.
	1891	30,000.00		
	1893	4,500.00		
	1894	9,000.00		
	1895	12,000.00		
	1896	15,000.00		
	1897	15,000.00		
	1898	15,000.00		
			112,750.00	
National Temperance Home	1889	2,500.00		Do.
	1890	2,500.00		
	1891	2,500.00		
	1892	2,000.00		
	1893	2,000.00		
			11,500.00	
St. Joseph's Male Orphan Asylum	1893	2,000.00		Do.
	1894	1,181.00		
	1895	1,800.00		
	1896	1,800.00		
	1897	1,800.00		
	1898	1,800.00		
			10,381.00	
Women's Union Christian Association	1893	250.00		Do.
	1894	150.00		
			400.00	
Temporary Home, G. A. R	1894	2,500.00		Do.
	1895	2,500.00		
	1896	2,500.00		
	1897	2,500.00		
	1898	2,500.00		
			12,500.00	
Hospital for contagious diseases	1894		15,000.00	Do.
Board of Children's Guardians	1894	24,200.00		Do.
	1895	20,000.00		
	1896	25,500.00		
	1897	27,400.00		
	1898	27,400.00		
			124,500.00	
Reform School for Girls	1894	20,128.00		Do.
	1895	9,376.35		
	1896	12,925.00		
	1897	9,925.00		
	1898	10,725.00		
			63,079.35	
Young Women's Christian Home	1896	1,000.00		Do.
	1897	1,000.00		
	1898	1,000.00		
			3,000.00	
Hope and Help Mission	1897	1,000.00		Do.
	1898	1,000.00		
			2,000.00	
Newsboys' Aid Society	1897	1,000.00		Do.
	1898	1,000.00		
			2,000.00	
Washington Home for Incurables	1897	2,000.00		Do.
	1898	2,000.00		
			4,000.00	
Eastern Dispensary	1897	1,000.00		Do.
	1898	1,000.00		
			2,000.00	
Total			15,291,179.49	

RECAPITULATION.

Total amount appropriated for charitable objects, by fiscal years.

Fiscal year.	Amount.	Fiscal year.	Amount.
1877	$355,750.00	1889	$738,266.70
1878	399,607.62	1890	735,195.40
1879	347,500.00	1891	859,549.39
1880	497,741.96	1892	854,102.00
1881	517,898.34	1893	856,199.79
1882	534,843.58	1894	909,334.10
1883	741,384.00	1895	848,460.37
1884	594,770.00	1896	917,501.43
1885	627,992.53	1897	893,641.64
1886	675,996.00	1898	987,630.00
1887	714,368.00		
1888	683,443.64	Total	15,291,173.49

INDEX.

Page.

omen's Home 15, 42
ces to institutions 15, 16
iations for charitable objects in the District of Columbia, total amount
m 1877 to 1898 106
iations for charities 99
ed Charities 17, 18
ion for works of mercy 14
ropriations for 105
itary condition of 89
Church Home for Aged 42
he Maryland Institution for 24
f Charities:
ored by Commissioners 4
ommended by Joint Committee 5
ommended by Doctors Hurd and Chapin 65
ies of 6
p to Congress 7
f Charities established in Massachusetts 27
f Children's Guardians 8, 35, 37
establishment 26
ropriations for 105
ommendations of Joint Committee in regard to 37
City Hospital (note) 57
foundlings in 40
Dr. J. Wesley, testimony of, in regard to foundlings 38
Iome 42
foundlings in 40
Dr. Samuel C. 71
Dispensary and Emergency Hospital 52, 63
ropriations for 105
ds of 60
sons sent to 97
Dr. John B., physician in chief and superintendent of the department
e insane of the Pennsylvania Hospital of Philadelphia 45
ble institutions, sanitary condition of 72
unable to make suitable regulations 9
s, present system, where faulty 7
, foundlings in 40
n's Hospital 52
ropriations for 101
ds of 60
sons sent to 97
orphanage of St. John's Parish 14
ropriations for 102
itary condition of 81

Page.
Colored Children 33
Columbia Hospital 48, 53, 64
Appropriations for 100
Needs of 60
Persons sent to 96
Columbia Institution for Deaf and Dumb, appropriations for 100
Commissioners of the District of Columbia favor board of charities 4
Report of, as to charitable institutions exempt from taxation 2
Unable to give attention to charities 5
Contagious diseases, hospital for, appropriations for 105
Cook, Dr. G. Wythe 71, 72
Corcoran, W. W 41
Deaf and dumb 22
Dependent children 24
In Indiana 29
In Minnesota 29
In Michigan 29
Division of the work 30
Taking up of 30
Experience of New York City in regard to 32
Experience of Massachusetts regarding 27
Placing-out system 25
Asylum system 25
Magnitude of the problem 26
Home finding for 34
Recommendation of the joint committee in regard to 35
Proposed legislation in regard to support of 36
Dewey, Davis R 27
Direct relief from District funds 16
Harmful results of 17
District charitable institutions, beginnings of 3
District of Columbia, self government for 8
Druggists to the poor 14, 15
Eastern Dispensary, appropriations for 105
Elliott, Dr. Llewellyn 71
Emergency funds 15
Faulkner, Hon. C. J., submits report for Mr. McMillan 1
Feeble-minded children 22
Appropriations for 100
Proposed bill regarding 23
Cost of, at Elwyn 23
Cost of, at New York institutions for feeble-minded children 23
Action of Board of Children's Guardians regarding 23
Florence Crittenton Hope and Help Mission 44
(Note) 40
Appropriations for 105
Persons sent to 98
Sanitary condition of 90
Folsom, Charles J 27
Foundlings 37
Freedmen's Hospital 46, 47, 54, 64
Appropriations for 101
Needs of 60
Persons sent to 95
Gage, Hon. Lyman J., Secretary of the Treasury, letter from, relative to appropriations for charitable purposes 99

Page.
Garfield Memorial Hospital 51, 63
Appropriations for 99
Needs of 60
Persons sent to 96
Georgetown Almshouse, appropriations for 102
German Orphan Asylum 33
Sanitary condition of 80
Government Hospital for the Insane 97
Appropriations for 99
Gynecological Hospital 64
Hearings, schedule of 2
History of charitable institutions in the District of Columbia 2
Home finding for dependent children 34
Homeopathic Hospital, needs of 60
Home for the Aged 14, 41
Recommendations of the joint committee regarding 42
Hospitals:
Report of Doctors Hurd and Chapin 49
Crowding at 58
Contagious diseases at 59
Indigent patients at 59
Lack of supervision of 59
Duplication of work at 59
Chronic diseases at 60
Organization of 60, 66
Equipment of 60
Support of patients at 61
Limits of charity at 62
Pay patients at 62
Admissions to 63
Recommendations concerning 63
Cost of maintenance of 61
Supervision of 65
Recommendations of Medical Association in regard to 71
House of the Good Shepherd 14
Appropriations for 105
Persons sent to 98
Sanitary condition of 91
Howard University 46, 47
Appropriations for 100
Humane Society 30, 35
Hurd, Dr. Henry M., superintendent of Johns Hopkins Hospital 2, 45
Idiots, New York definition of (note) 24
Indiana Board of State Charities 29
Indiana, dependent children in 29
Indigent persons sent to hospitals 95
Industrial Home School 31, 32, 33, 35
Appropriations for 102
Sanitary condition of 74
Insane, the 21
Those not properly charged to the District 21
Recommendations concerning 22
Insane patients, appropriations for 103
Isolating buildings at hospitals 45
Johnston, Dr. William W 71

Page

Joint Select Committee to Investigate the Charities and Reformatory Institutions in the District of Columbia.
Authorization of 1
Organization of 1
Kimball, Judge I. G., letter of, relative to Reform School for Girls 20
Kober, Dr. George M 71
Louise Home 41
Lyman school for boys in Massachusetts 28
McMillan, Senator James 94, 99
Magruder, Dr. G. L 71
Maryland, patients from 48
Massachusetts, charities of 8
Experience of, in relation to dependent children 27
Report of, charities commission 27
Massachusetts General Hospital 57
Massachusetts State Board of Lunacy and Charity, results reached by 39
Massachusetts State Industrial School for Girls 28
Mayors of cities, replies of 2
Medical Association's recommendations in regard to hospitals 71
Medical Charities 45
Medical Society of the District of Columbia 2, 8
Letter from, regarding hospital organization 66
Men, work among 44
Methodist Episcopal Church Home for Aged 42
Michigan, dependent children in 29
Minnesota, charities of 8
dependent children in 29
Moore, Maj. William G., superintendent of police 95
Municipal Lodging House 44
Sanitary condition of 92
National Association for Destitute Colored Women and Children 32, 33, 34, 42
Appropriations for 101
Persons sent to 98
Sanitary condition of 75
National Homeopathic Hospital 63
Persons sent to 96
National Temperance Home, appropriations for 105
Newsboys and Children's Aid Society 33
Appropriations for 105
Sanitary condition of 84
New York:
Charities of 8
Experience of, in regard to dependent children 32
Foundlings in 40
Reforms effected in 9
New York constitutional provision relative to charities 5
New York Hospital 57
New York Infant Asylum 41
New York Nursery and Child's Hospital 41
New York, parallel between, and Washington 11
New York State Charities Aid Association, work among foundlings 40
Northway, Representative S. A., cross-examination in regard to Humane Society 31
Ohio, charities of 8
Ourt, Dr. J. A., expert statistician 61

Page.
Pennsylvania Hospital 57
Philadelphia, foundlings in 40
Physicians to the poor 14, 15, 16
Pitney, Representative Mahlon, cross-examination in regard to Humane Society 30
Pratt, A. S., president Humane Society, examination of 30
Private generosity 3
Providence Hospital 12, 49, 63
  Appropriations for 99
  Needs of 60
  Persons sent to 96
Reform School for Boys 18, 32
  Appropriations for 101
  Letter of Hon. John W. Ross relative to 19
Reform School for Girls 19
  Appropriations for 105
  High per capita cost at 20
  Letter of Judge I. G. Kimball relative to 20
  Recommendations of joint committee regarding 21
Regulation of charities, need of 8
Relief of the poor 14
  Appropriations for 102
Retention of children 32
Roman Catholic Church Home for Aged 42
Ross, Hon. John W., letter of, relative to Reform School for Boys 19
  Transmits statements of property owned by charitable institutions 94
St. Ann's Infant Asylum 13, 37
  Appropriations for 103
  Persons sent to 97
  Sanitary condition of 78
St. Joseph's Male Orphan Asylum 13
  Appropriations for 105
  Sanitary condition of 83
St. Rose Industrial School 13
  Sanitary condition of 82
St. Vincent's Orphan Asylum 13, 26, 32
Sanitary officer of the Metropolitan police 3
Secretary of the Treasury 3
Sectarian institutions 12
Superintendent of charities:
  Authorized by Congress 4
  Limitations of 4
Support and treatment of destitute patients 99
Support of dependent children, proposed legislation 36
Taxation, institutions exempt from 94
Transportation of paupers and prisoners, appropriations for 103
Temporary Home for Ex-Union Soldiers and Sailors:
  Appropriations for 105
  Sanitary condition of 93
Unworthy applicants, rejection of 11
Virginia, patients from 48
Washington Asylum Hospital 47, 55
  Persons sent to 96, 97
Washington Board of Trade advocate board of charities 8
Washington Civic Center advocate board of charities 8

Page.
Washington Hospital for Foundlings 37
Persons sent to 98
Sanitary condition of 77
Washington City Orphan Asylum 26, 31, 32
Persons sent to 98
Washington Home for Incurables 56
Appropriations for 105
Persons sent to 98
Washington, dependent population of 8
philanthropy in 3
Weller, M. I., testimony of, in regard to foundlings 40
Wellington, Dr. J. R 72
Wharton, W. H 27
Wight, Hon. John B., Commissioner of the District of Columbia 74
Wilson, George S., secretary of Associated Charities 17
Wilson, Samuel, agent Humane Society 30
Women's Christian Association 42, 44
(Note) 40
Appropriations for 103
Sanitary condition of 87
Women's Dispensary 15
Women, idleness of, in public institutions 11
Women's Union Christian Association, appropriations for 105
Woodward, Dr. William C., health officer of the District of Columbia 2, 74
Young Women's Christian Home 43
Appropriations for 105
Sanitary condition of 88

O

Joint Select Committee to Investigate the Charities and Reformatory Institutions in the District of Columbia.

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From the House of Representatives.

CHARLES MOORE, of Michigan,
Clerk.

55TH CONGRESS, 2d Session. } HOUSE OF REPRESENTATIVES. { REPORT No. 1092.

JOINT SELECT COMMITTEE

TO INVESTIGATE THE

CHARITIES AND REFORMATORY INSTITUTIONS

IN THE

DISTRICT OF COLUMBIA.

PART III.—HISTORICAL SKETCHES OF THE CHARITIES AND REFORMATORY INSTITUTIONS IN THE DISTRICT OF COLUMBIA.

EDITED AND COMPILED BY
CHARLES MOORE,
CLERK OF THE JOINT SELECT COMMITTEE.

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IN THE HOUSE OF REPRESENTATIVES.

APRIL 15, 1898.—Ordered to be printed.

Mr. PITNEY, from the Joint Select Committee to Investigate the Charities and Reformatory Institutions in the District of Columbia, submitted the following Supplemental Report.

PREFACE.

THE joint select committee created by the Act of June 11, 1896, was directed "to make investigation of the charities and reformatory institutions of the District of Columbia, and especially of those for which appropriations are made by this act, as respects their relations to the government of the District of Columbia and to the United States, whether by special charter or otherwise, their efficiency, their management and resources, whether by appropriations or otherwise; and also what portion, if any, of appropriations heretofore made to them have been used for the purpose of maintaining or aiding, by payment for services, expenses, or otherwise, any church or religious denomination or any institution or society which is under sectarian or ecclesiastical control."

These questions involved an inquiry into the origin and subsequent history of the various charitable and reformatory institutions of the District. In the time allotted to the committee for its work, the required information had to be gathered somewhat hastily; and the task was rendered the more difficult from the fact that in most instances, and even in the case of some of the most important institutions, the records were both meager and scattered. So frequent have changes occurred in the management of the charities that those now in control often have little knowledge of their predecessors. Consequently errors will be found in the following pages; and perhaps credit is not always given where credit is due. Wherever it could be done, however, the sketches of the various institutions have been submitted to the respective authorities and have been corrected by them.

The sketches have been written from the standpoint of the institutions; but where there have been controversies, reference is made to the criticisms. The reason for this course is that, for the most part, the management of the various charities has been in the hands of persons who served the public without reward, and in many instances at decided inconvenience to themselves. Certainly it can serve no good purpose to bring up here matters of dispute now happily in the past. Questions as to present management and efficiency are treated in the report of the joint committee.

The one fact that will be apparent to every reader of these pages is that the District of Columbia has contained, and still contains, a surprisingly large number of benevolent people who have given freely of time, of professional skill, and of money for charity.

The editor is under obligations to the many officers of charitable institutions and associations for aid in gathering data and for furnishing information; and especially he would acknowledge the assistance given by Dr. Samuel C. Busey, president of the Medical Society of the District of Columbia; and to Dr. C. B. Purvis, for many years the surgeon-in-chief of Freedmen's Hospital, and also the physician of the Association for the Relief of Destitute Colored Women and Children.

Since the report of the joint select committee was made to Congress the following changes in District charities have occurred: A permanent central committee for the relief of the poor, consisting of thirty persons, has been appointed by the Commissioners of the District of Columbia. The committee will become an incorporated body, and will administer the inaugural and other funds for the relief of the poor. The detail of a police officer as agent of the Humane Society has been withdrawn in accordance with the joint committee's report. The Garfield Memorial Hospital has consented to have an isolating building constructed on its grounds, and a second such building will be built at the Providence Hospital. The Columbia Hospital has taken steps to allow physicians not on the hospital staff to attend patients in pay rooms, and also to limit the admission of free patients to persons actually dependent.

WASHINGTON, *April 26, 1898.*

CONTENTS.

CHAPTER I.

THE FIRST GENERAL HOSPITAL.

	Page.
Healthfulness of the District of Columbia	1
Early contagions and disorders	1
Health of Washington during the rebellion	1
President Jefferson has White House inmates vaccinated	2
President Jackson acts as nurse in a smallpox case	2
The board of health of Washington City	2
The Washington Poorhouse	2
Dr. Alexander McWilliams	3
Need of a public hospital	3
Dr. Thomas Ewell's plan	3
The name Columbia Hospital suggested	3
The plan fails	3
Hospitals during the war of 1812	3
Cholera epidemic of 1832	4
Location of cholera hospitals	4
Committees appointed to interest Congress in a hospital	4
The Washington Infirmary	5
Appropriation for an insane asylum	5
Building turned over to Columbian Medical College	5
Appropriations for support of the hospital	6
Specific payments for specific services	6
Enlargement of the hospital	6
The United States occupies the infirmary as a war hospital	7
The building burned	7

CHAPTER II.

THE GOVERNMENT HOSPITAL FOR THE INSANE.

The pauper problem	8
Poorhouses in the District of Columbia	8
Provisions for the insane	8
Insane asylums in the various States	8
First action by Congress as to the insane	8
Caleb Cushing's inquiry	9
Provision for the District insane at Baltimore	9
The "old jail" to be fitted as an asylum	9
Failure of the project	10

Page.
Reform in the management of insane asylums 10
Work of Pinel and Tuke 10
Mechanical restraint abolished in England 10
Four insane asylums in the United States in 1800 10
Introduction of the reform ideas into this country 11
Dorothea Lynde Dix 11
Beginning of Miss Dix's work in Massachusetts 11
Founding of the asylums at Trenton, N. J., and Harrisburg, Pa 12
Sketch of Miss Dix 12
The "Five Million Acres" bill 13
The bill vetoed by President Pierce 14
A Government hospital for the insane started 14
A portion of the St. Elizabeth grant favored for a location 14
Reluctance of Thomas Blagden to sell 15
Beginning of the work 15
Organization of the asylum 15
Dr. Miller's claims 16
Regulation of admissions 16
Membership of the first board of visitors 17
The hospital during the rebellion 18
Then first known as "St. Elizabeth" 18
Dr. Charles H. Nichols 18
Dr. W. W. Godding 19
Dr. J. M. Toner 20

CHAPTER III.

THE COLUMBIA INSTITUTION FOR THE DEAF AND DUMB.

Deaf and dumb children brought from New York City 21
A deaf and dumb school started 21
Hon. Amos Kendall 22
Story of his interest in the deaf and dumb 22
Sketch of his life 23
Columbia Institution for the Deaf and Dumb and the Blind 23
Edward Miner Gallaudet appointed superintendent 23
Other instructors and officers 23
Provisions for the admission of pupils 23
The Washington Manual Labor School and Male Orphan Asylum 24
Industrial education provided for 24
Board of directors of the Columbian Institution to grant degrees 24
National Deaf-Mute College 24
Mr. Kendall succeeded by Dr. Gallaudet as president 25
Successes of graduates 25
Free scholarships 26
The blind children transferred to the Maryland Asylum 26
Course of study for the blind 27
Enlargement of the Columbia Institution 27
Contributors to the fund 27
The gymnasium 28
The Gallaudet College 28
Action of the alumni 28
Address of President Welling 28
The Kendall School 29
The French statue of Dr. Thomas Gallaudet 29
The normal department 30
Representation by Congress on the board of trustees 30

CHAPTER IV.

GOVERNMENT HOSPITALS AND ASYLUMS.

Page.
Charities before the war of the rebellion 31
Washington during the war 31
Influx of camp followers 31
War hospitals 32
Churches and schoolhouses turned into hospitals 32
List of army hospitals in the District of Columbia during the war 32
The Army Medical Museum 36
Ford's Theater 36
Medical and Surgical History of the Rebellion 36
Index to the Library of the Surgeon-General's Office 36
The Soldiers' Home 36
Funds for support 37
Located by Gen. Winfield Scott 37
Officers of the Home 37
Amusements 37
Societies 37
Expenses 37
Accommodations 38
Hospital facilities 39
The Naval Hospital 39
Work of the hospital 39
Improvements suggested 40

CHAPTER V.

GENERAL HOSPITALS.

The Providence Hospital 41
Dr. Toner's efforts to establish a hospital 41
A hospital opened by the Sisters of Charity of Emmitsburg, Md 41
First public announcement 42
Interest of Thaddeus Stevens, Samuel J. Randall, and James A. Garfield. 42
Appropriations for the support of the indigent sick 42
Appropriations for building 42
The hospital and equipment 43
Sister Beatrice 43
Physicians of the District may take patients 44
Persons receiving treatment 44
The medical staff 44
Movement for a new hospital 45
The situation stated 45
Dr. Ashford's memorial 46
Original suggestion for a memorial hospital 46
A public meeting called 47
The general committee formed 47
The Garfield Memorial Hospital 47
Secretary Blaine's circular 47
Secretary Frelinghuysen's appeal 48
Resolutions of the Medical Society of the District of Columbia 49
The hospital incorporated 49
The Ladies' Aid Association organized 49
The first report 50
Transfer of the property of the National Soldiers' and Sailors' Orphans' Home 50
Congressman Blount's opposition 50

The Garfield Memorial Hospital—Continued. Page.
Protest of twenty-six physicians 50
The "Wirt House" 52
Plan of organization 52
The "Haw Mansion" purchased 53
The hospital opened 53
Gifts to the hospital 54
The first patient 55
Struggles with the finances 55
The mite box 55
Congressional aid lacking 56
Dr. Toner succeeds Dr. May 57
Death of Mr. Justice Miller 57
Mr. Justice Harlan becomes president 58
Mrs. Garfield at the hospital 58
The Victoria room 58
Work of the Ladies' Aid Association 59
The buildings 59
The General Government and the hospital 60
Official character of the enterprise 60
Royal subscribers to the fund 60
Failure of the Windom bill 61
Emancipation and colonization 61
Appropriations to purchase stoves 61
Failure of the colonization plan 62
The Freedmen's Bureau 62
Extent and character of the work 62
Refugees pour into Washington 63
Necessity for a hospital 63
Camp Barker 64
The Freedmen's Hospital 64
Dr. Robert Reyburn 64
Hospitals of the Freedmen's Bureau 64
Consolidation of the hospitals 65
Number of persons under treatment 65
Rations issued to the Freedmen's Hospital 65
Buildings leased from Howard University 66
Dr. George S. Palmer as surgeon in charge 66
Instructions from the Interior Department 66
Dr. C. B. Purvis succeeds Dr. Palmer 67
Freedmen's Hospital under the War Department 67
Dr. Daniel H. Williams, as surgeon in charge 67
Control of admissions 68
Training school for nurses 68
The National Homeopathic Hospital 68
Early efforts to establish the hospital 69
Project for consolidation with the Garfield Memorial Hospital 69
The aid of Congress invoked 69
Chief Justice Waite as president 69
Increase in the number of homeopathic physicians 70
Early officers 70
Training school for nurses 70
Bequest of Mrs. Nancy B. Scudder 71
Questions of finance and management 72
The St. Felicitas Guild 73
The Washington Asylum Hospital 73
The smallpox hospital 73

CHAPTER VI.

HOSPITALS FOR SPECIAL CLASSES.

Page.
The Columbia Hospital for Women 74
Dr. J. Harry Thompson's reports 74
Need of a hospital for women 74
Secretary of War Stanton sends supplies 75
The hospital opened in the Hill mansion 75
First Congressional appropriation 75
Management of the hospital 76
A dispensary established 76
A permanent Government institution 77
Misapplication of charities 77
Financial tangles as to the site 77
Dr. Thompson succeeded by Dr. Patrick J. Murphy 79
Board of lady visitors 79
Cost of hospital work 79
A visiting committee 80
Board of visiting physicians 81
A reorganization effected 81
The Stone-Thompson report 81
The Bovée-King report 82
The training school for nurses 82
The Children's Hospital 83
Dr. S. C. Busey starts the project for a children's hospital 83
Incorporation 84
Dr. James C. Hall's bequest 84
The first home of the hospital 85
The management 85
Gifts and endowments 86
Reports of President S. V. Niles 86
Board of lady visitors 87
Amendments to the by-laws 88
Training school for nurses 88
Contributions to the hospital 89
Central Dispensary and Emergency Hospital 90
Beginning of the dispensary work 91
First medical staff 91
Connection with Georgetown University 92
First patient admitted for operation and treatment 93
Need of an accident hospital 93
Removal to new quarters 94
Scanty equipment 94
Changes among the officers 95
Purchase of a building 96
Memorial rooms 97
Washington Home for Incurables 99
Early struggles 99
Work of the hospital 100
Dispensaries and church charities 100
Children's Country Home 101
Diet Kitchen 101

CHAPTER VII.

FOUNDLING ASYLUMS.

St. Ann's Infant Asylum 102
A lying-in department established 102

Page.
Washington Hospital for Foundlings 103
Bequest of Joshua Pierce 104
Plans prepared by Surgeon John S. Billings, U. S. A. 104
Government appropriations 105
Regulation of admissions 105
Directors 105
The Pierce Guild 105
A country home 106

CHAPTER VIII.

ORPHAN ASYLUMS.

Washington City Orphan Asylum 107
Needs created by the war of 1812 107
Meeting in the Hall of Representatives 107
Mrs. James Madison, first directress 108
Meeting at Wesley Chapel 108
Mrs. James Monroe elected first directress, but resigns 109
Mrs. John P. Van Ness selected 109
Sacrifices her life during Asiatic cholera 109
Gifts of Mrs. Madison and Mrs. Monroe 109
The institution incorporated 110
Donation of city lots 110
Schools started 110
W. W. Corcoran gives the site for a new building 111
Laying of the corner stone 111
The State Department uses the building 111
Mrs. S. P. Lee, first directress 111
Bequest of Dr. Hall 111
Gift of a site by Mr. Corcoran 112
Number of inmates in 1867 112
Plans for a new building drawn by J. C. Harkness 112
State Department takes the building 112
Mrs. S. P. Lee elected first directress 113
"The Laurie fund" 113
Outbreak of diphtheria 114
Utermehle and Thompson gifts 114
St. Vincent's Orphan Asylum 115
Established by Rev. Father Matthews in 1825 115
A gift of lots 115
St. Joseph's Male Orphan Asylum 116
The incorporators 116
Limitations on the value of property 116
The National Soldiers and Sailors' Orphan Home 117
Mrs. U. S. Grant, president 117
Appropriations 117
Property transferred to the Garfield Memorial Hospital 118
The Church Orphanage of St. John's Parish 118
Desirability of religious instruction 119
Invested funds 120
A branch home for boys 121

CHAPTER IX.

INDUSTRIAL SCHOOLS.

The Industrial Home School 122
Success of industrial schools elsewhere 123

The Industrial Home School—Continued. Page.
Reports of the District Commissioners 124
School sustained by private benevolence 124
The St. Rose Industrial School 125
Congressional appropriations 125
Places found for girls in other cities 126
The National Association for Destitute Colored Women and Children 126
Charter provisions 126
Secretary Stanton furnishes a house and grounds 127
Death of the original promoters 127
Teacher sent by the Worcester Freedmen's Aid Society 128
Senator Pomeroy's interest 128
Richard S. Cox appeals to President Johnson 128
Confiscation proceedings 129
Mrs. Abraham Lincoln's gifts 129
Report for 1897 130
The Newsboys and Children's Aid Society 130
Interest of Chief Justice Waite and Justice Miller 130
George Maulsby Memorial Home 131
Wards of the Board of Children's Guardians 132
German Orphan Asylum 133
Defect in the title 133
A new building 134
Legacies 134
Connection with the Humane Society 135
Present management 136

CHAPTER X.

INSTITUTIONS FOR WOMEN.

The Woman's Christian Association 137
A Congressional appropriation for a building 137
A "Women's Exchange" 138
The foster home 138
Work in 1897 139
The Young Women's Christian Home 139
Gift of Miss Kibbie 140
Work and officers in 1897 140
The House of the Good Shepherd 141
Congressional appropriations 141
Reformatory and the preservation class 141
The Florence Crittenton Hope and Help Mission 141
Homes in other cities 142
Mr. Charles N. Crittenton 142
The Women's Union Christian Association 143
Home for Friendless Colored Girls 143
Gift of Miss Maria Stoddard 143
Death of Miss Caroline Taylor 143
The Association for Works of Mercy 143
The Bruen Home 143

CHAPTER XI.

HOMES FOR THE AGED.

The Louise Home 144
William Wilson Corcoran, sketch of 144
Business successes 145

The Louise Home—Continued. Page.
The Corcoran Art Gallery 145
Trustees of the Louise Home appointed 145
Board of directresses 146
Endowment and terms of admission 147
The Methodist Home 148
Requirements for admission 149
Supported by the churches 149
The Home for the Aged 149
Congressional gifts 150

CHAPTER XII.

TEMPORARY REFUGES FOR MEN.

The Temporary Home for ex-Union Soldiers and Sailors 151
Reasons for its establishment 151
Number accommodated 151
Management 151
Municipal Lodging House 152
The Washington Night Lodging House 152
Placed under municipal control 152
Central Union Mission 153
Branches 153
Industrial department 153
Difficulties of disposing of the product 153
The religious work 153

CHAPTER XIII.

REFORMATORY INSTITUTIONS.

The Reform School for Boys 154
The Guardian Society 154
Supported by Washington and Georgetown jointly 155
First admissions 155
An unhealthy site 156
A new location 156
Financial difficulties 156
The buildings 157
Transfer of management to the Department of Justice 159
Control of expenses with the District Commissioners 160
The Reform School for Girls 160
Timothy Lubey's recommendations 160
George A. Caswell's plea 161
The police reports as to the need of an asylum 162
The school incorporated 162
The first appropriation 162
Beginnings of the school 163
Crowded condition of the school 164
Cooperation with the Board of Children's Guardians 165

CHAPTER XIV.

THE RELIEF OF THE POOR.

The first appropriation 167
The arsenal explosion 167
The Washington Market Company 167
Operations of the board of health 168

Page.
The health office 168
Dr. Townsend reports a lack of medical attendance 168
Colored population of Washington 168
Physicians to the poor 169
Volunteer physicians 170
Who are worthy objects of charity? 170
The sanitary office 171
Insane found in the streets 171
Transportation of paupers 171
Fund for the relief of the poor 171
Willard Hall meeting of 1881 172
Distribution by the police 172
Subsequent work 172
The Associated Charities 174
Washington Humane Society 176

CHAPTER XV.

THE ORGANIZATION OF CHARITIES.

The subject broached 177
Col. Timothy Lubey's report 177
Unification of charities desired by the Commissioners 177
District charities fragmentary and incomplete 178
An inspector of charities suggested 179
Inspections by the police surgeons 179
Sanitary condition of charitable institutions 179
A second examination 180
Changes suggested 181
Report of W. S. Matthews 182
Duplication of charities 182
Commissioners without means to correct the evil 183
A superintendent of charities 183
Reports of Mr. Amos G. Warner 183

CHAPTER XVI.

THE BOARD OF CHILDREN'S GUARDIANS.

The care of dependent children 185
Report of the superintendent of charities 185
Act creating the Board of Children's Guardians 188
The first board 189
Temporary organization 190
Administrative expenses 191
Changes in appropriations 192
A policy adopted 193
Children committed to the board 194
Action of the courts 194
Work of the first year 195
Changes in membership 195
Appropriations reduced 196
Visitation of placed-out children 197
Increase in the number of dependents 198
Records of children 199
A farm school established 200

LIST OF ILLUSTRATIONS.

	Facing page.
Government Hospital for the Insane, original sketch	2
Main entrance	4
West Lodge for colored males	4
Atkins Hall	6
Home and Relief buildings	6
East Lodge (for colored insane women) and Dix Building	8
Gate house at entrance	8
Howard Hall for criminal insane	10
Toner Building	10
Borrows Cottage	12
Godding Croft, manor house	12
Steamer house and clock house	14
The Oaks, main epileptic building	14
Retreat and main wing of the hospital.	15
"The Rest" (pathological building)	15
Dining hall for detached buildings	16
Dining hall for detached buildings (interior)	16
Assembly room	18
Borrows Hall (interior)	18
Barns and piggery	19
Herd of Holsteins	19
Columbia Institution for the Deaf and Dumb	21
Group of buildings	22
Chapel	24
Dormitory for females	25
Gallaudet statue	26
Gymnasium	28
Boys' dormitory	29
The Soldiers' Home	34
United States Naval Hospital (front and rear views)	36
The Providence Hospital	41
Operating room	42
Public ward	43
Private room	44
Corridor	45
Garfield Memorial Hospital	50
Plan of grounds	54
Public ward	56
Stable and mortuary	58
Freedmen's Hospital, Howard University school and medical building	62
Entrance	64
National Homeopathic Hospital	68
Washington Asylum Hospital	73
Columbia Hospital for Women	76
The Children's Hospital	82
Rear view	84
The Children's Hospital—Continued.	
Reception room	84
Surgical white ward	86
Surgical colored ward	86
Medical white ward	88
Medical colored ward	88
Babies' ward	89
Galt room	89
Central Dispensary and Emergency Hospital	90
Dispensary room	92
Washington Home for Incurables	100
St. Ann's Infant Asylum	102
Washington Hospital for Foundlings	104
Washington City Orphan Asylum	108
St. Vincent's Female Orphan Asylum	116
St. Joseph's Male Orphan Asylum	116
Church Orphanage of St. John's Parish	118
Industrial Home School (front and side views)	122
St. Rose Industrial School	126
National Association for the Relief of Destitute Colored Women and Children	128
Newsboys and Childrens' Aid Society	130
German Orphan Asylum (front and side views)	134
Women's Christian Association	137
Young Women's Christian Home	138
House of the Good Shepherd	141
Florence Crittenton Mission	142
House of Mercy	143
Louise Home	146
Home for the Aged of the Little Sisters of the Poor	149
Temporary Home for ex-Union Soldiers and Sailors	152
Municipal Lodging House	152
Reform School for Boys, main building	154
A, family building	156
B, family building	157
D, family building	158
Greenhouses and spring	159
Manual training school and bakery	160
Old farm building	162
The barn	163
Reform School for Girls	164
Hart Farm School, rear view and barns	186
Farmhouse and log house	188
Interior of log house	194
Officers and teachers	194
Potomac inlet	200
Kentucky thoroughbred "Phalas"	200

CHAPTER I.

THE FIRST GENERAL HOSPITAL.

IN the District of Columbia public charities and reformatory institutions had late beginnings and slow growth. Indeed, it was not until the war of the rebellion had enlarged, centralized and vitalized every municipal function that the capital city put away village things and began to be in reality what it was in name.

So much has been written by early statesmen and travelers about the unhealthfulness of Washington in bygone days, that it would almost seem as if the Commissioners charged with laying out the Federal city had purposely selected swamps and morasses for the seat of government. Such, however, was not the fact. In 1797, Washington, then a city of 2,000 inhabitants, had not one fatal case of fever, nor any contagious or epidemic disorder; nor was the influenza that traveled from South to North in 1789–90 and returned from the Northeast to the South and West in 1807 any more severe in the District of Columbia than it was elsewhere. The bilious dysentery and yellow fever of 1793 were common to all seacoast cities as far north as Providence, R. I.; and when the latter scourge, in 1798, carried off over three hundred residents of Alexandria, its origin was traced to tenement houses along the wharves, and its ravages were confined to the Virginia portion of the District.[1]

The most striking proof, however, of the natural healthfulness of the District of Columbia is cited by Dr. Toner. Speaking at the close of the war of the rebellion, he says:

> There is scarcely another city in the United States or the world where the same amount of crowding of men and animals within the same compass, including military camps, hospitals, hotels, and slaughterhouses, would not have produced some terrible and devastating epidemic. Not even in the numerous hospitals established here, liable at all times to certain epidemics, did any disease prevail unfavorable to the general health.[2]

Although public institutions were wanting in the early days, the highest officials were not lacking in public spirit. One day in the

[1] Anniversary oration delivered before the Medical Society of the District of Columbia, September 26, 1866. By J. M. Toner, M. D., Washington, D. C., 1869, p. 75. The death rate from 1820 to 1829 was 1 in 53. See Elliot's Historical Sketches of the Ten Miles Square. 1830. p. 200.

[2] Toner's Anniversary Oration, p. 74.

spring of 1801, President Jefferson received in his mail, from Monticello, two specimens of vaccine lymph, the gift of Benjamin Waterhouse, of Boston. One of these specimens came from Dr. Jenner, the discoverer of its virtues; the other Dr. Waterhouse had cultivated. Placed in the hands of Dr. Edward Gantt, of Georgetown, the supply sufficed to vaccinate over three hundred persons connected with the Executive Mansion or in the families of the President's neighbors.[1]

Again, in 1833, when the smallpox prevailed in Washington, President Jackson's coachman, Charles, was seized with the disease in its severest form. The other servants of the White House were so badly frightened that they would not nurse him, and no competent nurse was to be had from the outside. Now, Jackson was much attached to Charles, who had been his body servant during his southern campaigns; so he made an isolated ward in the Executive Mansion and installed himself as nurse, remaining on duty until his servant was out of danger.[2]

Smallpox was prevalent in Washington in 1828, 1833, and 1846. From the first the Medical Society of the District of Columbia consulted and labored to arrest the spread of the scourge. Gratuitous vaccinations were proffered both by the corporation and by the physicians generally. The official body that appears as the moving force in arousing and shaping public sentiment was the board of health of Washington City, organized by the corporation, by the act of August 14, 1819, and presided over for fourteen years by Dr. Henry Huntt.[3]

II.

The first charitable institution in the District of Columbia was the poorhouse, established by a law of the corporation passed October 31, 1806. At that time $2,000 was appropriated to buy a lot and to erect suitable buildings, "the more effectually to provide for the poor, disabled, and infirm persons." The euphonious name of Washington

[1] Jefferson's letter to John R. Coxe. See North Carolina Medical Journal, January, 1881. Also State Department MSS. letters from Jefferson to J. R. Coxe and Dr. Waterhouse.

[2] Related by Dr. Toner, on the authority of President Jackson's family physician, Dr. J. C. Hall. See Anniversary Oration, p. 77.

[3] The members of the first board were: First Ward, Drs. Thomas Sim, Charles W. Goldsborough; Second Ward, Drs. Henry Huntt, Thomas H. Gilliss; Third Ward, Drs. Thomas Sewall, Thomas Hughes; Fourth Ward, Drs. Frederick May, Elias B. Caldwell; Fifth Ward, Drs. John Rodgers, Samuel N. Smallwood; Sixth Ward, Drs. Charles B. Hamilton, Edward Semmes. The board of health continued until the permanent form of government was adopted in 1878, when the duties of the board were vested in the health office.

The Medical Society of the District of Columbia was incorporated by act of Congress approved February 16, 1819. The leading members of the Medical Society were also members of the board of health. Thus, Dr. Huntt was corresponding secretary of the Medical Society, and Thomas Sim and Frederick May were members of the board of examiners. Dr. Charles Worthington was the first president of the society. The society forfeited its charter in 1834, and a new charter was granted by the act of July 7, 1838. Dr. S. C. Busey's Reminiscences and his Addresses and Communications contain much information in regard to the Medical Society.

HOSPITAL FOR THE INSANE OF THE ARMY AND NAVY AND THE DISTRICT OF COLUMBIA

ıfirmary was the official title of the institution; but in those days of ain things the place was always known as the poorhouse. It was cated on the square between M and N and Sixth and Seventh streets, here it continued until about 1846, when it was merged into the 'ashington Asylum, built upon the site, on the banks of the Anacos-a, given by the Government in 1843.[1] Although not a hospital in the odern sense of the word, for thirty-five years the Washington poor-ɔuse had for its medical officer Dr. Alexander McWilliams, who there sed with uniform success the mode of making extension in fractures y the application of strips of adhesive plaster, an application in sur-ery that he first brought to the notice of the medical profession.[2]

The need of a public hospital grew with the growth of the cities of 'ashington and Georgetown; and in 1820 Dr. Thomas Ewell, one of ıe leading physicians of Washington, proposed, in the National Intel-gencer of September 2, that the corporations of the two municipalities stablish the Columbia Hospital, to be supported by annual appropria-ons based on their respective populations. The two cities at the time ıd about 20,000 people. The object of the hospital as set forth by Dr. well throws a strong light on the then existing situation. The indi-ent sick were placed with the old and infirm, with the usual results on oth sides of such a blending. The management of the institution was) consist of all the clergymen and all the members of the corporations f Washington and Georgetown; the medical department was to be xclusively under the control of the regularly qualified physicians of ıe two corporations, each in succession sharing the duties and each aving the right to witness the practice of the others; all members of ıe corporation and all contributors were to have the right to send such atients as they deemed worthy, excepting only that those sending laves should pay the cost of their accommodation.

With a rare foresight, Dr. Ewell suggested that the hospital consist f small buildings of the plainest kind, detached from each other to revent the propagation of infectious diseases and maniacs from being ıade more mad by hearing each others' cries; each house to contain ot more than six or eight persons, except a center building for resi-ent officers, an apothecary shop, and a room for teaching women the ıties they should perform to each other in childbed, or for other pur-ɔses of lecturing. Here in embryo were the contagious ward and the inic not yet realized, and the training school for nurses but lately tablished. Unfortunately the times were not then ripe for the enter-ise,[3] and nothing came of the plan.

For the inadequacy of the relief furnished see report of Mr. Powers to House of presentatives, March 3, 1830, quoted in Elliot's Historical Sketches, p. 519.

Toner's Anniversary Oration, p. 77.

During the war of 1812 the Government maintained one military hospital on senleafs Point, on P street south, fronting the Arsenal Grounds; probably another the corner of Vermont avenue and H street, and possibly one on Capitol Hill. ese hospitals were under the direction of Dr. James Heighe Blake, who was pointed by President Madison. Dr. Blake was mayor of Washington from 1813 1818, and at the time of his death (1819) was Register of Wills.

III.

The cholera epidemic of 1832 developed three temporary hospitals in Washington, one in Georgetown, and one in Alexandria.[1] The medical staffs of these hospitals were appointed by the board of health on August 7, 1832; and after the subsidence of the disease the board of health took the lead in a series of meetings designed to arouse public sentiment on the subject of a general hospital. Indeed, matters went so far as the appointment of a committee to select a site for the new institution, and the committee performed its task by recommending two sites, with a preference for the Church Reservation, so called, whereon the Interior Department building now stands. The board of health also appointed committees to present to Congress the need of a general hospital for the capital city, and from 1832 to 1837 this committee conscientiously fulfilled its duty of memorializing Congress.

The arguments of the memorial of the board of health and the medical society were embodied in a report made to the Senate by Mr. Williams on January 12, 1838. It appears that even in those days aged and infirm soldiers and sailors from every part of the United States were accustomed to visit Washington to prosecute their pension and other claims, and too often became a charge upon the public; and also that great suffering and loss of life were the consequences—as during the cholera epidemic of 1832—of having no regular hospital. The debt of the city of Washington being then $825,000, and the rate of interest 6 per cent per annum, the tax of more than 75 cents upon every $100 of property liable to taxation was so great a burden as to preclude the supporting a hospital by general taxation. Moreover, a large portion of the property in the city belonged to the Government, and paid nothing toward the necessary expenditures of the city; otherwise, there would be no need for such a call on Congress. The bill was reported with an amendment limiting to $75,000 the entire expenditure for a hospital to accommodate between 30 and 40 insane and about 100 indigent sick. The bill, however, failed, and after six years of appealing

[1] Of the Washington hospitals, the Western was located on the south side of M street north, between Eighteenth and Nineteenth streets, in a double brick house belonging to Alexander Clements. The attending physicians were Drs. N. W. Waters and R. Brisco. The latter gave way to Dr. W. B. Magruder. The consulting physicians were Drs. Thomas Sims, J. M. Thomas, and Richmond Johnson. The Central hospital was located first at 447 Tenth street, and afterwards was removed to the house of W. J. Stone, corner Eleventh street and Pennsylvania avenue. The attending physicians were Drs. A. McD. Davis, T. R. Miller, James Waring, B. Miller, and Joseph Borrows. The consulting physicians were Drs. Henry Huntt, N. P. Causin, and Thomas Sewall. The Eastern hospital was located on the west side of Fourteenth street east, between K street and Georgia avenue. The attending physicians were Drs. Noble Young, T. J. Boyd, and R. T. Barry. The consulting physicians were Drs. Frederick May and Alexander McWilliams. In Georgetown a hotel on the west side of High street, between Bridge and Water streets. The physicians in charge were Drs. Charles H. Lamb, N. W. Worthington, B. S. Bohrer, and Joshua Riley. The total number of deaths from cholera was 459.

ST ELIZABETH—MAIN ENTRANCE.

ST ELIZABETH—WEST LODGE (FOR COLORED MALES), 1853 AND 1873.

to deaf ears, the board of health desisted for a time, only to renew the attack later, and with success.

After struggling along for nearly half a century without any public hospital facilities, Washington obtained its first hospital through one of those blunders of impulse to which legislative bodies are subject.

IV.

The act of August 29, 1842, appropriated $10,000 to be spent in fitting up the old jail on Judiciary Square for use as an insane asylum. The movement that led Congress to make provision for the insane is discussed elsewhere. The repairs having been completed, it was found expedient to continue to send some insane patients to hospitals in other cities and to confine others in jails and almshouses. There being no use for the newly fitted asylum, Congress graciously passed the act of June 15, 1844, whereby the commissioner of public buildings was "directed to allow the medical faculty of Columbian College to occupy the insane hospital, with the adjoining grounds, situated in Judiciary Square, in Washington, for the purpose of an infirmary, for medical instruction, and for scientific purposes, on condition that they shall give satisfactory security to keep the said building in repair and return it, with the grounds, to the Government in as good condition as they are now in, whenever required to do so."[1]

On Friday, June 20, 1844, Drs. Thomas Sewall, Harvey Lindsly, Thomas Miller, John M. Thomas, William P. Johnston, and Charles G. Page—they being the medical faculty of the college at the time—met Commissioner of Public Buildings William Noland and jointly signed the lease and a bond of $10,000 conditioned on the faithful observance of the terms of the act of Congress. "These gentlemen," says Dr. Toner,[2] "deserve the lasting gratitude of the community and the highest respect and admiration of their professional brethren for the tact, energy, and enterprise displayed in establishing the Washington Infirmary."

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[1] The medical department of Columbian College, the first medical school established in the District of Columbia, was completely organized on March 30, 1825, at No. 447 Tenth street. The introductory lecture on the history of medical colleges in the United States was delivered by Dr. Thomas Sewall. The third course of lectures was delivered in a new building on the corner of Tenth and E streets. From 1834 to the first Monday in November, 1839, the school was in a state of suspended animation. In 1845 the college was removed to the Washington Infirmary, where it flourished under the new name of the National Medical College. When that building was handed over to the Government, in April, 1861, the college occupied the Union Printing Office building, on E street, between Eleventh and Twelfth streets. From 1863 until the autumn of 1865 lectures were suspended, and then were resumed in the law building of Columbian College, on Fifth street. In 1866 Mr. W. W. Corcoran furnished to the trustees of Columbian College the building on H street, between Thirteenth and Fourteenth streets, which is still used by the National Medical College. For a list of professors from 1821 to 1866 see Dr. Toner's Anniversary Oration, pp. 48, 49.

[2] Toner's Anniversary Oration, p. 55.

The faculty, at their own expense, proceeded to furnish the building and to make those improvements and alterations that were necessary to adapt it to hospital uses, and about the middle of July opened the first general hospital in Washington. Patients from the city or country were admitted upon paying to the steward a small sum for board, the medical attendance of the faculty being furnished gratuitously. Clinical lectures were given daily, and the poor of Washington received advice and medicine without charge during an hour each morning.[1]

From the beginning the institution found favor with the public, and in 1848 Congress, urged thereto by the faculty and by prominent citizens of the District, appropriated $2,000 "for the support, attention, and medical treatment of twelve transient paupers, medical or surgical patients, in the Washington Infirmary, to be expended under the supervision of the commissioner of public buildings." The physicians and surgeons of the Infirmary were required to give bonds for the maintenance of twelve pauper patients during one year, if application be made for their reception, or bind themselves to keep rooms for the accommodation of twelve pauper patients weekly, on an average, during the year. Such was the amount appropriated and such were the conditions for six years from 1848 to 1853; and the amounts actually expended were $1,300 in 1849, $1,700 in 1850, $2,000 in each of the next three years, and $1,000 in 1854.

Thus, at the very beginning of hospital appropriations, Congress established the principle of specific payments for specific service.

So thoroughly did the institution commend itself to the public it served that when, on February 17, 1853, Representative Edward Stanley, of North Carolina, moved in Committee of the Whole an amendment to the general appropriation bill giving $20,000 to aid the directors of the Washington Infirmary to enlarge their accommodations for the benefit of sick transient paupers, the House agreed to the motion, and four days later confirmed its action by a vote of 105 to 75. Thus the capacity of the hospital was more than doubled, and also the faculty gained a commodious lecture room.

The enlarged building permitted, and the growth of the population demanded, increased appropriations. In 1854 and 1855 $3,000 was appropriated for the care of eighteen transient paupers, medical and surgical patients in Washington Infirmary; and a like amount was appropriated during each of the two succeeding years, the number of patients not being specified. From 1858 to 1861 the sum of $6,000 a year was granted, to cover the cost of the care of forty patients.

"The internal and domestic management of the Infirmary," says Dr. Toner, "was, after a short time, put under the direction of those excellent and humane nurses, the Sisters of Mercy. The institution was conducted with liberality to the poor, enlightened judgment, and professional ability, and was of incalculable usefulness in the relief of suffering, by the accommodation it afforded to strangers and others

[1] The free dispensary had been established as early as 1843.—*Toner*, p. 56.

ST. ELIZABETH—ATKINS HALL, 1878.

Home, 1883-84. Relief, 1879-80.

ST. ELIZABETH

compelled to resort to such an establishment. Its central position and large, airy rooms, with the assiduous attention given to patients by physicians and nurses, made it popular with the public and the profession."[1]

While there could be no question as to the usefulness to the community of the Washington Infirmary, there was decided difference of opinion as to the advisability of the possession and occupation of a Government building and the management of a hospital deriving a considerable portion of its support from the General Government, in the exclusive interest of a medical school. No physician or student of medicine outside Columbian College could gain official access to the hospital, and only a member of the college faculty could send there a private patient and still retain the management of the case. In 1854 Dr. Noble Young endeavored to organize the opposition with a view to the separation of school and hospital, and later he tried to start a movement for a public general hospital. The first attempt failed because of the predominant influence of the college faculty; the second because of the lukewarmness of Congress. "With the abandonment of these projects," says Dr. Busey, "the controversy ceased, and the two schools, whether agreed or not, lived together in mutual but peaceful discontent."[2]

Owing to the establishment of the Washington Infirmary, it happened that when the war of the rebellion broke out the Government had at its command at the capital one hospital equipped for immediate work. The act of August 5, 1861, appropriated $5,000 "for removing the stables and other obstructions around the Washington Infirmary, used as an army hospital, and grading said grounds to secure proper drainage of the same." What public sentiment was not strong enough to do war instantly accomplished. In April, 1861, Columbian College, on demand, immediately relinquished the infirmary to the Government, and it was occupied as an army hospital until the night of November 3, 1861, when the building was totally destroyed by fire. That the District patients were not turned out, however, is proved by the report of the commissioner of public buildings, who says that at the time of the fire he had in the building twenty patients, all of whom were safely taken out.[3] The epitaph of the hospital is written in the act of June 19, 1862, which "authorizes and requires the Second Auditor of the Treasury to ascertain and determine the amount of property lost by each of the Sisters of Charity and female servants employed in the Washington Infirmary at the time of its conflagration, on the night of the 3d of November, 1861." The sum of $598 was found to be sufficient to cover the loss.

So ended the first public hospital in Washington.

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[1] Toner's Anniversary Oration, p. 57.

[2] Personal reminiscences and recollections of forty-six years' membership in the Medical Society of the District of Columbia and residence in this city, with biographical sketches of many of the deceased members. By Samuel C. Busey, M. D., LL. D., president of the Medical Society of the District of Columbia, 1877, 1894, and 1895. Washington, 1895.

[3] Ex. Doc. No. 1, Thirty-seventh Congress, second session, p. 851.

CHAPTER II.

THE GOVERNMENT HOSPITAL FOR THE INSANE.

ON January 12, 1838, Mr. Williams, from the Senate Committee on the District of Columbia, reported a bill to authorize the erection of a hospital in the city of Washington. The measure originated in a petition from the board of health and the Medical Society of the District of Columbia, in which petition it was shown that the establishment of a lunatic asylum in connection with a general hospital was greatly needed. With a population of 40,000 there were 180 paupers supported in three poorhouses (one in Washington, a second in Georgetown, and a third in Alexandria) at an annual expense of $10,000. These poorhouses were so full that many deserving cases had to be turned away; and even at that early date persons coming to the capital from distant parts of the Union, with real or imaginary claims, became a charge on the community to such an extent that more than one-half of the paupers were nonresidents. There were at this time 40 insane persons charged to the District, of whom 12 were sent to hospitals in distant States; 5 were in common jails "among debtors, vagrants, and criminals of all colors and characters, in crowded, ill-ventilated apartments, where moral and medical treatment are not to be expected; and the balance are managed by their friends in the best way their means and inclinations may permit."

It was noted in the report that the attention of the public, as well as of several State legislatures, within a few years past, had been much given to the highly interesting and humane subject of providing the best means and accommodations for the comfort as well as the restoration of the insane, and that important results had been realized in the construction of commodious hospitals in Maine, Massachusetts, Vermont, Connecticut, New York, Pennsylvania, Virginia, Ohio, Kentucky, and other States, and the committee did not doubt that the nation would sanction any reasonable expenditure for a hospital at the seat of government.[1]

The first Congressional provision for the separate care and treatment of the indigent insane of the District of Columbia is to be found in an

[1] Twenty-fifth Congress, second session, Senate Report No. 98. McKee's Compilation, vol. 2.

East lodge (colored insane women), 1854 and 1887.

Dix Building, 1893
(female epileptic insane).

ST. ELIZABETH.

ST. ELIZABETH—GATEHOUSE AT ENTRANCE, 1874.

act approved February 2, 1841, authorizing the marshal for the District to send to the lunatic asylum in Baltimore all such lunatic persons as were confined in the jails of Washington and Alexandria counties, and all such as might be considered lunatics by the circuit or criminal courts; to pay for their removal and maintenance, and to be allowed for the same in his settlements with the Treasury.[1]

In discussing the measure, Caleb Cushing inquired why, if the lunatics were paupers, they were confined in the common jail, instead of in the almshouse; to which Mr. Johnson, of Maryland, answered that it would not be safe to place among the paupers the twelve lunatics then in prison with common criminals, and that the Baltimore asylum was willing to receive them at moderate prices. The debate developed the fact that these twelve lunatics were without the common necessaries of life; that they were obliged to lie on the prison floor; that they were supported by the corporation of the city at a cost of $2 a week; that no provision was made for their treatment; and that, as Mr. Reed remarked, the wretched accommodation in the jail was sufficient to make a man a lunatic, whether he was previously so or not.[1]

Subsequently the marshal was authorized to place the insane in such hospital as he might select, consulting economy in the selection;[2] also the amount to be paid was limited to $4 per week;[3] and in 1851 it was given to the Secretary of the Interior to determine where insane paupers should be placed for support and medical treatment.[4] The control of the treatment of insane paupers is now with the District authorities. In 1845 an appropriation of $5,000 was made for the liquidation of the debt due to the Maryland hospital for the support of lunatic paupers of the District of Columbia; and subsequent appropriations were made for the same object until September 30, 1850. Then for four years, or until August 4, 1854, sums varying from $8,000 to $12,000 a year were expended under the direction of the Secretary of the Interior for the care of the insane. From 1851 to 1856 the amount expended for this purpose was $94,697.37.[5]

II.

The act of August 29, 1842, provided that the commissioner of public buildings should cause alterations to be made in the "old jail" to adapt it for the reception and accommodation for the insane of the District of Columbia, and all such sick, disabled, and infirm seamen, soldiers, and others deemed proper to be received therein. When the building should be completed, the President was authorized to appoint three respectable persons, residents of the city of Washington, to be

[1] Congressional Globe, Twenty-sixth Congress, second session, p. 86.
[2] Act approved August 3, 1841.
[3] Acts of June 15, 1844; March 3, 1845; May 8, 1846.
[4] Act approved March 3, 1851.
[5] Ex. Doc. No. 84, Forty-fifth Congress, second session.

a board of inspectors of the new institution, and to hold their offices for two years from the date of their appointment. To them was given a general supervision over the comforts of the hospital, with power to appoint the necessary subordinate officers thereof and to prescribe rules for the admission and the regulation of the patients therein. The sum of $10,000 was appropriated to carry out the provisions of the act. This was the beginning of the project for a combined hospital for the Army and Navy and for the District of Columbia.

The building in question was originally the jail of Washington County, and was located on Judiciary Square. After it was refitted for the purposes of an insane asylum, Congress decided to continue the treatment of the insane at Baltimore; and, as has already been noted, the building was turned over to the medical faculty of the Columbian College for the purposes of a public hospital.[1]

Thus the first attempts to establish in the District of Columbia a hospital for the insane failed, and the old system of placing insane patients in the asylums of the States was continued. It is not at all surprising that such was the result, for at this time the modern ideas as to the treatment of this unfortunate class of persons had not begun to prevail. It was not until 1792 that Dr. Philippe Pinel, the superintendent of the Bicêtre, the Paris asylum for incurable insane males, broke the iron chains and banished the cages that made a hundred madmen where they cured one. The idea of cultivating the germ of rationality that exists in every insane person was entirely novel; but once put into practice a revolution began. Four years after Pinel, William Tuke, a member of the Society of Friends, began at York, England, experiments that led him, entirely independently, to the same goal that the French physician had already reached. It was so late as 1838, however, that Dr. Gardner Hill and Dr. Charlesworth, braving the opposition of both hospital authorities and medical men, abolished mechanical restraint at the Lincoln Asylum in England, and dared to treat insane persons who were not bound hand and foot, neck and waist.

At the beginning of the present century there were four insane asylums in the United States: That at Philadelphia, established in 1752; one in Williamsburg, Va., founded in 1773, and notable as the first State insane asylum; one in New York, dating from 1791; and the one in Baltimore, established in 1797, which was used by the Washington authorities charged with the care of the insane. All of these institutions were conducted according to the old theory that an insane person was more dangerous than a wild beast, and was utterly devoid of human feelings. In 1817, Philadelphia Friends transplanted from England the vines whose slow but sure growth Tuke had watched over. The McLean Asylum at Somerville, Mass. (1818); the Retreat at Hart-

[1] For a racy discussion of the problem of the insane see the Washington Directory for 1843, p. 51.

ST. ELIZABETH—HOWARD HALL (FOR CRIMINAL INSANE), 1887 AND 1892.

ST. ELIZABETH—TONER BUILDING. 1889-1891

ford, Conn. (1824); and the Worcester, Mass., Asylum (1830), were founded on the theories of Pinel and Tuke. These efforts, however, were but tentative. They were conducted privately by a few leaders who were far in advance of public sentiment. The people had yet to be aroused to the horrors of the madhouse as they existed in every community; and until they should be so aroused the authorities could not be forced to act.

The wretched condition of the indigent insane in Washington, into which Caleb Cushing so casually inquired on the floor of the House, was similar to that of the indigent insane throughout the land; but in Mr. Cushing's own State a delicate girl was to be brought face to face with these horrors, and was to preach the gospel of reform with such persistence and tact that legislature after legislature was to yield to her persuasive eloquence, and even Congress was to be moved to begin the greatest charitable institution the nation has ever created.

III.

On March 28, 1841, Dorothea Lynde Dix, then a volunteer teacher in the Sunday school maintained by Harvard Divinity School students at the East Cambridge, Mass., house of correction, found among the prisoners a few insane persons, with whom she talked. She noticed that there was no stove in their room; and the keeper, on being appealed to, said it would not be safe to have a fire. Miss Dix appealed to the court, and warmth was provided. Miss Dix enlisted Dr. S. G. Howe and Charles Sumner, who were induced to visit the East Cambridge jail, where a raving, blaspheming maniac and a gentlewoman with mind but slightly obscured had been penned together for months in a jail poorly ventilated and noisome with filth.[1] From the Berkshire Hills to the tip of Cape Cod Miss Dix pursued her investigations, until she had accumulated a tale of horrors. She proved that insane persons in the Commonwealth of Massachusetts were "confined in cages, closets, cellars, stalls, pens; chained, naked, beaten with rods, and lashed into obedience.[2]

A storm of vituperation followed the publication of this memorial. Miss Dix, however, knew that the facts she had printed could not be successfully contradicted. To her aid came Dr. William E. Channing, Horace Mann, John G. Palfrey, and especially Dr. Luther V. Bell, of the McLean Asylum, who was able to show by his own experience the good results of humane treatment of the insane. It was fortunate for Miss Dix—and more fortunate for Massachusetts—that Dr. Howe happened to be a member of the legislature to which she appealed. Her memorial was referred to a committee of which he was the chairman, and the immediate result was the enlargement of the Worcester

[1] Life of Dorothea Lynde Dix, by Francis Tiffany, 1890, p. 73 et seq. The description is from Sumner's letter to Howe.

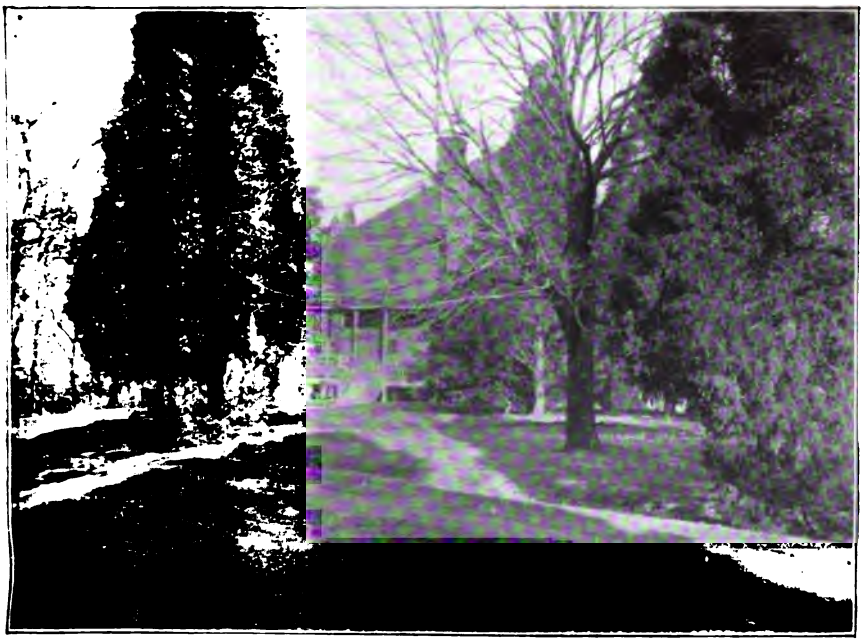
[2] Miss Dix's first memorial, January, 1843.

Asylum so as to accommodate the insane that were scattered among the county jails. From Massachusetts Miss Dix went to Rhode Island, where from private sources she secured the money necessary to take the insane from local jails and place them in a well-equipped asylum.

The crusade now became broader in its scope. Miss Dix saw that what was needed was to call in the power of public taxation to support and care for the insane in State institutions. Her next struggle was in New Jersey, and the asylum at Trenton was the first State insane asylum founded, in 1845, through her quiet, persistent investigations and her simple, direct, forcible presentation of facts that could not fail to create a revolution in public sentiment.[1] While her friends in the New Jersey legislature were building on the foundations her investigations had laid, Miss Dix had been at work in Pennsylvania, and at Harrisburg had conducted a campaign no less effective than that at Trenton. An entirely new State institution for the insane at Harrisburg was the result. Thus the year 1845 brought her fourth success and placed the foundation of a second State institution to her credit.

During the nine years from 1845 to 1854, Miss Dix was successful with the legislatures of Indiana, Illinois, Kentucky, Tennessee, Missouri, Mississippi, Louisiana, Alabama, South Carolina, North Carolina, and Maryland, and besides was instrumental in securing the building of new asylums at Halifax, Nova Scotia, and St. Johns, Newfoundland. The Rev. Francis Tiffany, in his comprehensive life of Miss Dix, has portrayed this remarkable woman, with her sweet, rich, low voice and perfect enunciation, in which love and power were blended; her quiet but always tasteful style of dress; her rich, wavy, dark-brown hair brought down over the cheek and carried back behind the ears; her face lit with alternately soft and brilliant blue-gray eyes, their pupils so large and dilating as to cause them often to be taken for black; a bright, almost hectic, glow of color on her cheeks, with her shapely head set on a neck so long, flexile, and graceful as to impart an air of distinction to her carriage. Personally she never cared to appear in public. She made no addresses, held no meetings. "To come to close quarters of eye, conscience, and heart with impressionable and influential minds, to deliver her burden as from the Lord to them, and let it work on their sensibility and reason—this was her invariable method." Everywhere the insane were neglected, abused, and beaten; so that when once the public was aroused by the presentation of the facts, and the results of the special investigations made by Miss Dix were placed in the hands of the real leaders in the legislatures, no legislative lethargy, no cheese-paring parsimony were able to withstand

[1] The Trenton Asylum was called Miss Dix's first-born child. Forty-two years after its establishment she returned to its friendly roof, and there, amid friends and in apartments set apart for her use by the trustees, she passed her last hours of weariness and pain. She died July 17, 1887.



ST. ELIZABETH—BORROWS COTTAGE, 1891.

ST. ELIZABETH—GODDING CROFT, MANOR HOUSE.

the onslaught. How severe was the task of making these investigations from Canada to Florida, those who know the conditions of travel before the war can best appreciate.[1]

IV.

In 1848, Miss Dix sent to Congress a memorial for a grant of 5,000,000 acres of the public domain, the proceeds of the sale of which were to be set apart as a perpetual fund for the care of the indigent insane. The fund so created was to be divided among the thirty States in proportion to their respective population.[2] To secure the passage of the bill seemed to Miss Dix the crown to be struggled for. The project did not then seem so chimerical as it looks in the retrospect. Congress had distributed among the States moneys received from the sale of public lands; and in 1845, 134,704,982 acres had been given to the new States for purposes of education and internal improvement. In view of these facts, Miss Dix's request seems not over large. In the Senate the bill was referred to a committee consisting of Messrs. Benton, Dix, Hannegan, Bell, and Davis of Massachusetts. The rising tide of opposition to the giving away of the public domain made the politicians wary of the scheme, and the bill went but slowly. By the courtesy of Congress a special alcove in the Library of Congress was set apart for Miss Dix's especial use, and there she appeared daily to urge the cause of the more than nine thousand idiots, epileptics, and insane scattered throughout the United States in jails, poorhouses, and private dwellings, bound with chains, stormed at and beaten, and left in filth and loneliness. In spite of President Polk's declaration that he would veto every land bill that did not provide for a provisional payment to the United States, Miss Dix relied on the friendship of Mrs. Polk and Vice-President Dallas for help in the last extremity. The bill, however, did not succeed at that session, and in 1850 Miss Dix was again on hand. This time she included the indigent blind and deaf and dumb, asking for 10,000,000 acres for the insane and a quarter of a million for the other unfortunates. A favorable report was made; the bill was passed in the House, and went over to the short session. On February 11, 1851, the bill came up in the Senate, and after a short struggle was passed by a vote of 36 to 16. In the House, twice the rules were suspended to concur in the Senate amendments; but the Congress ended with a disagreement still pending. Meanwhile, in the Southern, Western, and Middle States, Miss Dix was obtaining legislative action that was denied by Congress.

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[1] Dorothea Lynde Dix was born at Hampden, Me., April 4, 1802. Although Gen. John A. Dix always addressed her as sister, there was no relationship between them. At the age of 14 she began to teach school. She was frequently compelled to give up work by reason of ill health, and in 1836 she went to England to recover from a complete physical collapse. She was never strong.

[2] The amount asked for was afterwards increased to 12,225,000 acres.

On March 9, 1854, Miss Dix had the joy to see her bill pass the Senate; and in August similar action was taken by the House. Then President Franklin Pierce vetoed the act, on the ground that Congress had power to make provisions of an eleemosynary nature only within the District of Columbia, the single district that was under the special rule of government and so furnishes the one exception to an otherwise inflexible law.

V.

In a letter to Miss Heath, dated at Washington, August 28, 1854, Miss Dix says: "My District Hospital Bill has also passed the Senate unanimously, for $100,000 for the relief of the insane of the Army and Navy, and those of the District."[1] The dates are confusing. The civil and diplomatic appropriation act of August 31, 1852, appropriated $100,000 to enable the Secretary of the Interior, under the direction of the President of the United States, to purchase a site in the neighborhood of Washington, and for the erection, furnishing, and fitting up of an asylum for the insane of the District of Columbia, and of the Army and Navy. Dr. W. W. Godding, the present efficient Superintendent of the Government Hospital for the Insane, says:

I am sorry that I can not speak authoritatively in regard to the inception of the movement for the establishment of the Government Hospital for the Insane, but, while there was early some interest on the part of the Medical Society of the District of Columbia in favor of an asylum for the insane of the District, who were then lodged in the District jail, or sent to Mount Hope Asylum, at Baltimore, Md., I have no doubt that the Government hospital in its fuller scope and its entirety was the result of the efforts of Miss Dorothea Dix. As early as 1848, she memorialized Congress for a land grant of 5,000,000 acres of public lands, the proceeds of whose sales were to be be set apart as a perpetual fund for the benefit of the indigent insane of the whole country. From 1848 to 1854 she was in Washington devoting her energies to securing such land grant, and it was during this time that the Government Hospital for the Insane was created. For years she had an alcove and desk in the Congressional Library for her work. At her death, in 1887, she bequeathed this desk to the hospital as that on which the first draft of the law creating this hospital was written. Such statement I had previously had from her own lips. It is certain that she prevailed with Mr. Blagden, the owner of the farm on which the hospital is located, to part with it to the Government for this purpose. She always claimed St. Elizabeth as one of the homes that she had founded.[2]

Of the amount set apart by Congress the sum of $25,000 was allotted for the purchase of a site, and, after very careful consideration, Dr. Charles H. Nichols, who had taken very great interest in the project, decided that the ideal location was a portion of the old royal grant of St. Elizabeth, situated on the highlands between the Potomac and the Anacostia, or Eastern Branch. These lands were owned by Mr. Thomas Blagden, who valued them because the exceptional beauty of the situation had endeared them to his family. Moreover the price available

[1] Tiffany's Life of Miss Dix, p. 189.

[2] MS. letter Dr. W. W. Godding to Hon. James McMillan, June 28, 1897. See also an article by Dr. Godding in the Alienist and Neurologist, January, 1892.

ST. ELIZABETH—STEAMER HOUSE AND CLOCK TOWER, 1890.

ST. ELIZABETH—"THE OAKS" (MAIN EPILEPTIC BUILDING), 1895.

ST. ELIZABETH—RETREAT WING OF MAIN HOSPITAL, 1884.

ST. ELIZABETH—"THE REST" (PATHOLOGICAL BUILDING), 1884.

was too little by $15,000. Dr. Nichols was unable to move the owner and was equally unable to obtain an increase in the amount allotted for lands. Thereupon Miss Dix took up the matter. Seeking a personal interview with Mr. Blagden, so earnestly and so movingly did she reason with him to surrender for the future good of thousands of his suffering fellow-creatures what was so precious, indeed, to him and his family, but to one household only, that the appeal proved irresistible, and he gave her his promise of the estate for $25,000. That night he wrote to her this letter:

WASHINGTON, *November 13, 1853.*

DEAR MADAM: Since seeing you to-day I have had no other opinion (and Mrs. B. also) than that I must not stand between you and the beloved farm, regarding you, as I do, as the instrument in the hands of God to secure this very spot for the unfortunates whose best earthly friend you are, and believing sincerely that the Almighty's blessing will not rest on nor abide with those who may place obstacles in your way.

With Mrs. Blagden's and my own most friendly regards, very respectfully, your obedient servant,

THOMAS BLAGDEN.

Nevertheless, next day when Dr. Nichols called on Mr. Blagden to sign the papers the doctor found that gentleman walking the room and wringing his hands in an hysterical fashion, saying, "I don't want to part with it; it is dear to me and dear to my family! But I won't break my word to Miss Dix! I told her she should have it, and she shall have it!"[1]

VI.

In 1855, when the hospital was ready to enter upon its work, there were 20 insane persons belonging to the Army and Navy establishments and supported by the Government in various places and ways; 53 indigent insane in two Baltimore institutions, besides 11 insane persons detained in the United States jail, in Washington, and perhaps 10 private patients. It was estimated that about one-half of the persons treated in well-organized public asylums recover, while but 10 per cent of those cared for privately or confined in jails and poorhouses cease to be public charges.[2]

Congress having provided for the establishment of the hospital, it became necessary to adopt a method of organization, and in response to the resolution of the House of Representatives of December 19, 1854, the Secretary of the Interior transmitted to Congress a report made by Dr. Charles H. Nichols, who had been appointed superintendent, accompanied by a draft of a bill and a copy of the propositions of the Association of Medical Superintendents of American Institutions for the Insane. Also he submitted suggestions made by Dr. Thomas Miller, "a resident physician of this city, who is understood to have manifested

[1] Tiffany, p. 154.

[2] Report of Dr. C. H. Nichols, superintendent, Thirty-third Congress, second session, Ex Doc., Vol. I, p. 622.

much interest in this subject from its inception." In his letter Dr. Miller claimed that it was entirely through his instrumentality that the appropriation was made by Congress for the establishment of the asylum.[1]

This report resulted in the act of March 3, 1855, which, with the amendments thereto, provides for admissions to the hospital as follows:

Insane persons belonging to the Army, Navy, Marine Corps, and Revenue-Cutter Service are received on the order of the Secretary of War, the Secretary of the Navy, and of the Secretary of the Treasury, respectively. Civilians employed in the Quartermaster's and Subsistence Department of the Army becoming insane while so employed are included in this provision.

Persons without adequate means who have been admitted to the hospital from the Army, Navy, and Marine Corps and discharged as recovered who have within three years after discharge become again insane from causes existing at the time of such discharge. Indigent insane persons who have been in either branch of the service and been discharged therefrom on account of disability arising from such insanity. Indigent insane persons who have become insane within three years after their discharge from the service from causes which arose during and were produced by said service.[2]

Inmates of the National Home for Disabled Volunteer Soldiers who are insane are admitted to the hospital upon the order of the president of the Board of Managers of said Home.[3]

Inmates of the Soldiers' Home at Washington, D. C., may be sent to the hospital on the order of the president of the Board of Commissioners of the Home.[4]

These are all the classes belonging to or discharged from the service who are entitled to treatment in the hospital. There seems to be a widespread impression that any late volunteer or old pensioner who has become insane may be sent here, and hardly a month passes that application is not made to the officers of the hospital for papers to admit some old soldier who has become insane and has been placed in the almshouse, perhaps, of the very community in whose quota he rendered service.

Persons charged with offenses against the United States and in the actual custody of its officers or convicted of any offense in a court of the United States and imprisoned in any State prison or penitentiary of any State or Territory found to be insane, on application of the Attorney-General are transferred by the Secretary of the Interior to the hospital for treatment.[5]

Persons charged with crime before the court of the District of Columbia, when found, in the court before which such charge is brought, to be insane, are certified

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[1] Thirty-third Congress, second session, Ex. Doc. No. 24. Dr. Miller was born in Port Royal, Va., February 18, 1806, and died in Washington September 20, 1873. He was educated at the Washington Seminary, now Gonzaga College. For forty years he was connected with every movement looking to the advancement of the profession. In 1830 he was one of the founders of the Washington Medical Institute, and was one of the physicians of the central cholera hospital. In 1833 he was one of the originators of the Medical Association of the District of Columbia. He was professor of anatomy in the National Medical College and emeritus professor and president of the faculty; was the first president of the Pathological Society in 1841; was a member of the board of health and the board of aldermen, and was one of the consulting staff of Providence and of the Children's hospitals.—*Crew's History of Washington*, p. 601.

[2] U. S. Rev. Stat., sec. 4843.

[3] Supp. U. S. Rev. Stat., Vol. I, 2d ed., p. 381, par. 14.

[4] Supp. U. S. Rev. Stat., Vol. I, 2d ed., p. 469, par. 5.

[5] Supp. U. S. Rev. Stat., Vol. I, 2d ed., p. 382, par. 14.

ST ELIZABETH—DINING HALL FOR DETACHED BUILDINGS, 1885.

ST. ELIZABETH—INTERIOR OF DINING HALL FOR DETACHED BUILDINGS, 1885.

by the court to the Secretary of the Interior and are sent to the hospital on his order.[1]

The indigent insane of the District of Columbia and indigent insane persons who were temporarily in the District at the time they became insane may be sent to the hospital, this originally by order of the Secretary of the Interior, but in 1876 the committing power was transferred to the District authorities.[2]

Independent or pay patients from the District were formerly received on payment of board and other expenses, but as the buildings have long been overcrowded this class is no longer admitted.[3]

Under United States Revised Statutes, chapter 1, page 1, "Definition," the words "insane persons" and "lunatic" are held to include every idiot, non compos, lunatic, and insane person. Accordingly, imbecile and weak-minded persons are often sent to the hospital from the District.

Insane patients of the Marine-Hospital Service are admitted to the hospital on the order of the Secretary of the Treasury.[4]

The act of March 3, 1855, gave to the Secretary of the Interior the appointment of the superintendent, and placed the entire management of the institution in the hands of a board of visitors, nine in number, to be appointed by the President from the citizens of the District of Columbia, to hold office for six years, one-third of the members retiring every two years, and to serve without compensation. The first board was made up of Dr. Benjamin S. Bohrer, president; William W. Corcoran; Jacob Gideon; Prof. Grafton Tyler, M. D.; Daniel Ratcliff; Prof. Thomas Miller, M. D.; William Whelan, M. D., U. S. N.; Robert C. Wood, M. D., U. S. A., and Rev. P. D. Gurley, D. D. Dr. Charles H. Nichols was continued as superintendent and was ex officio secretary of the board, and Dr. William P. Young, of Washington, was elected assistant physician.[5]

The hospital opened with 1 white male from the Army and 20 white males and 32 white females, 5 colored males and 2 colored females, from civil life. During the year the Army furnished 5 patients, the Navy 1 and 31 came from civil life. At the end of the year there were 93 patients. "The erection and occupancy of the lodge for colored patients," says the report, "marks the first and only special provision

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1. S. Rev. Stat., sec. 4851.
2. S. Rev. Stat., secs. 4844-4850; Supp. U. S. Rev. Stat., Vol. I, 2d ed., chap. 105, p. 136.
3. S. Rev. Stat., secs. 4853-4854.
4. Supp. U. S. Rev. Stat., Vol. I, 2d ed., chap. 156, sec. 5, p. 94.
5. Bohrer was one of the founders of the Medical Society of the District of Columbia; he died in Georgetown in 1862 at the age of 77. In Dr. S. C. Busey's Personal Reminiscences, pp. 129-132, is a graphic sketch of Dr. Bohrer; a fragment of a letter there printed suggests that the first president of the hospital was also the originator of the project. Dr. Tyler was a member of the Medical Society for eight years; he died in 1884 at the age of 73. Dr. Young was succeeded in 1856 by Dr. S. Preston Jones, who was in turn succeeded by Dr. Bela N. Stevens, of Harrisburg, Pa., in 1859; Dr. Bohrer was succeeded as president by Mr. W. W. Corcoran in 1856; in 1857 Jacob Gideon became president, and in 1859 was succeeded by Dr. P. D. Gurley.

made for the suitable care of the African when afflicted with insanity which has been made in any part of the world."[1]

The outbreak of the war of the rebellion placed a heavy strain upon the hospital. The number of patients admitted during the last three months of the fiscal year ending June 30, 1861, was four-fifths of the whole number admitted during the preceding twelve months. Not only was the number of insane patients largely increased, but also one of the buildings for colored patients was turned over for a naval hospital, accommodating as many as fifty persons at one time, and two wards of the main building became an army hospital.[2] The number of admissions to the hospital increased from 95 in 1860–61 to 185 in 1861–62 and to 357 in 1862–63, making this hospital the largest of its kind in the country. The cause of this increase was ascribed not to the excitements of war or the peril of battle, but to homesickness, and especially to the results of the low fevers incurred by volunteers drawn from high northern latitudes to serve in malarial regions.[3] During the year 1862–63, also, a manufactory of artificial limbs was set up in a building adjacent to the army hospital, now first known as St. Elizabeth, and soldiers and sailors needing such members were provided with them and were taught to use them.

The Government Hospital for the Insane has had but two superintendents, Dr. Charles Henry Nichols and Dr. W. W. Godding. Dr. Nichols was 32 years old when, at the instance of Miss Dix, he was selected by President Fillmore to superintend the construction and to take charge of the new institution.[4]

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[1] This statement is somewhat too broad. There was an insane asylum at Fez, in Africa, early in the sixteenth century, and the care of the insane was a general form of charity in Mohammedan countries. Spain was the first Christian country to establish such hospitals, in the fifteenth century. The modern insane asylum owes its existence to Morgagni in Italy, Cullen in Scotland, and Pinel in France, who labored in the eighteenth century.—*Lecky's History of European Morals*, vol. 2, p. 88.

"In this hospital [at Fez] likewise there is a place for franticke or distraught persons, where they are bound in strong iron chains; whereof the part next to their walks is strengthened by mighty beams of wood and iron. The governor of these distraught persons, when he bringeth them any sustenance, hath a whip of purpose to chastise those that offer to bite, strike, or play any mad part."—*A Geographical History of Africa, by John Leo a More*, London, 1600, p. 128.

[2] In 1863 there were 60 beds in each the naval and the quarantine hospitals, and 250 beds in the army hospital.

[3] Hospital Report, October 1, 1863.

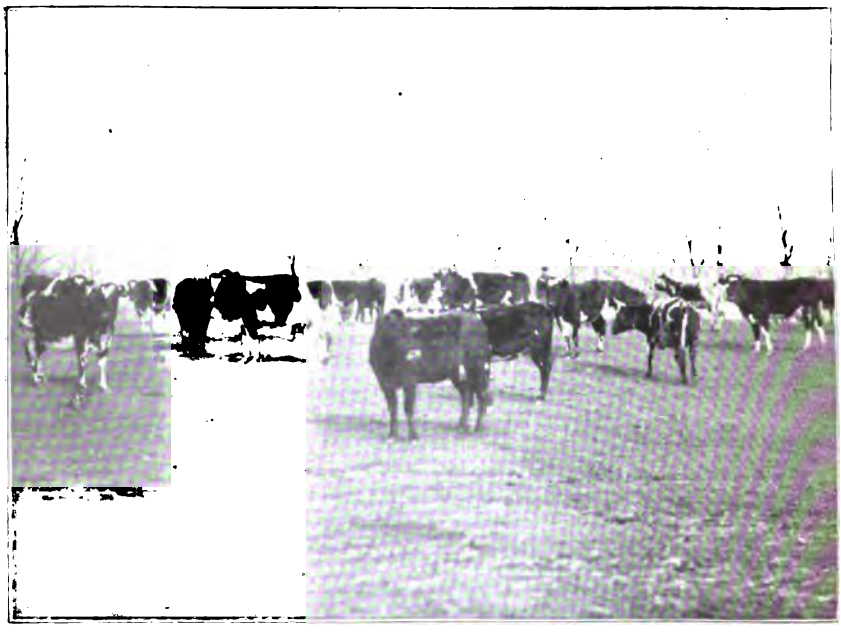
[4] Charles Henry Nichols, M. D., LL. D., was born in Maine in 1820. His academic education was in the Maine and Providence, R. I., public schools; he studied medicine in the universities of New York and of Pennsylvania, graduating from the last-named institution in 1843. In 1847 he was medical assistant, under Dr. Amariah Brigham, at the New York State Asylum at Utica. In 1849 he was appointed physician at the Bloomingdale Asylum in New York City, which position he resigned to come to Washington in 1852. In 1877 Dr. Nichols resigned his position at St. Elizabeth to accept the place of medical superintendent at the Bloomingdale Asylum, which had been created for him. He died on December 16, 1889, and was buried in Washington.

Portrait of Dr. Nichols Portrait of Miss Dix

ST. ELIZABETH--ASSEMBLY ROOM.

ST. ELIZABETH—BORROWS HALL, INTERIOR OF DAY ROOM. 1878.

ST. ELIZABETH—BARNS AND PIGGERY.



ST. ELIZABETH—HERD OF HOLSTEINS.

The editor of the Journal of Insanity, in summing up the results of Dr. Nichols's labors, says his plan of the new asylum was twenty-five years in advance of its time, and that the echelon plan, or receding front, was as great an improvement on the linear or Kirkbride plan as that was on the quadrangular. He organized and supervised the entire work, eking out the scanty appropriation by making bricks out of the very ground on which the building stood. He took up his own quarters in an unfinished bathroom of one of the wards, and set himself to cure the insane and to entertain visitors. The building was finished within the appropriation, a result that commended the superintendent to Congressional committees, and the plans were so excellent that they were copied not only in State institutions but also in Australia and in Newfoundland. During the quarter of a century that he spent at the head of St. Elizabeth he kept the institution abreast of the most enlightened curative treatment of the times.[1]

On the resignation of Dr. Nichols, in 1877, Dr. Godding returned to St. Elizabeth as superintendent, and took the place of executive and medical head of the institution, which he still holds.[2]

Dr. Nichols, writing in the American Journal of Insanity[3] of his successor, says that Dr. Godding entered upon his work at Washington with a harmonious staff, and with buildings in good order, but much crowded. During the twelve years he had been there [up to 1890] he had nearly doubled the capacity of the institution by the erection of four large buildings, one of them a separate hospital for the criminal insane, and by extending several old buildings, and making many beneficial changes and renovations in others. He established an efficiently working pathological laboratory; created an entirely new system of water supply from artesian wells; erected several important buildings for the economical and agricultural uses of the establishment. "It can not be said," continues Dr. Nichols, "that the Government Hospital for the Insane is perfect, or that it embraces every material agency for the care of the insane, but it may be questioned if there is any institution at home or abroad that is, at the present moment, better equipped for the exceedingly varied and extensive asylum service."

One other name well known and highly honored in Washington is

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[1] The American Journal of Insanity, vol. 45, contains a portrait and a sketch of Dr. Nichols, by Dr. Godding. See also the same publication, vol. 46, p. 410, and vol. 47, p. 231.

[2] Dr. William Whitney Godding was born in Winchendon, Mass., in 1831; received the degree of bachelor of arts from Dartmouth College in 1845, and the degree of doctor of medicine from Castleton's Medical College, Vermont, in 1857. In about 1860 he became assistant physician in the New Hampshire State Asylum for the insane at Concord, under the elder Bancroft, when he resigned to engage in private practice in Fitchburg, Mass. In 1863 he became assistant physician at the Government Hospital for the Insane, serving seven years, when he was called to the superintendency of the Massachusetts Hospital for the Insane at Taunton, where he remained until he came to Washington, in 1877.

[3] Vol. 46, p. 408.

connected preeminently with the Government Hospital for the Insane. Without making any invidious comparisons it may be said that next to the two superintendents, St. Elizabeth is most indebted to the late Dr. Joseph Meredith Toner. Dr. Toner's connection with Providence, Garfield, and Columbia hospitals has been mentioned elsewhere. He inspired the founding of St. Joseph's Male Orphan Asylum, and also the St. Vincent's and St. Ann's, and for more than twenty years he was on the board of visitors at St. Elizabeth. Dr. Toner's connection with the board antedated the return of Dr. Godding by one year, and in speaking of Dr. Toner's work the present superintendent says:

I found him ever ready to uphold my hands in every movement looking to more liberal provision or more enlightened hospital service. As president of my board, during the last ten years, it was often my privilege to consult with him, and he seemed always to hail my coming with delight. He was interested in every detail of management and construction. He took pains to inform himself of the purpose, the sites, the plans of all new buildings. He seemed fully to comprehend the ultimate aims of our hospital work, its magnitude and its inevitable growth. Our number of patients was below 800 when we began; it was more than 1,700 when we went away. I think the extent of the work and the possibilities of the hospital of the future grew upon both of us as the years went on. There was ever the urgent need of the present with its daily work crowding upon us, but more and more the study came to be, not what would answer and be an evidence of progress in the present, but how broad foundations we might now be laying for that hospital for the future, of which we began to catch glimpses, and dimly to apprehend the work, that would be still going forward there, when Dr. Toner and the present superintendent were only fading outlines in the past. Often when I took to him the rough drafts of plans in their inception, he would enter heartily upon their study, and, not by officious suggestion but by tentative query, he would make known the trend of his own thought, which was always well worth considering. "Could you add a few feet here? Build as large as you can for we shall need it," he would say, and I often profited by the prompting, even while waiting for another year's appropriation to complete it. It was his wont to come often to St. Elizabeth, not alone that he might satisfy himself of the integrity of the work being done there, but because he wanted to see for himself and felt a personal interest in the inmates and their life within those inclosures, inmates to whose appeals he was tender as a father.[1]

[1] Dr. Joseph Meredith Toner was born in Pittsburg, Pa., April 30, 1825. He received a classical education at the Western Pennsylvania University and at St. Mary's College; and a medical education at the Vermont Academy of Medicine and the Jefferson Medical College, at which latter institution he received his degree in 1853. He came to Washington in 1855, from Harpers Ferry. In 1873 he was president of the American Medical Association and in 1874 was president of the American Public Health Association. In 1871 he endowed the Toner Medical Lectures, consisting of two lectures annually on some new fact valuable to medical science. In 1882 he presented his valuable library of 28,000 books and 18,000 pamphlets to the Government, and it now forms the Toner Collection in the Library of Congress.—Washington Evening Star, August 1, 1896.

The National Medical Review for December, 1896, contains the proceedings of the memorial meeting of the Medical Society of the District of Columbia in honor of Joseph Meredith Toner, M. D., held October 21, 1896. The president of the society, Dr. S. C. Busey, spoke briefly of Dr. Toner's work. Remarks were made by Dr. Godding, Dr. C. H. A. Kleinschmidt, and Dr. J. Dudley Morgan.

COLUMBIA INSTITUTION FOR THE DEAF AND DUMB.

CHAPTER III.

COLUMBIA INSTITUTION FOR THE DEAF AND DUMB.

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in the year 1856 a man whose name wisely has been allowed e forgotten came to Washington with five deaf and dumb whom he had taken from the streets and almshouses of New l who were bound to him legally as apprentices. Claiming to sant with the methods of instructing deaf-mutes, he started a chool in which he gathered a dozen or more of the deaf and blind children of the District of Columbia besides the child- d brought with him. Having announced his intention to start ition for the education of the deaf and blind, he appealed to volent to aid him and with distinct success. Among those d in the enterprise was the Hon. Amos Kendall, whose inter- work was so great that, even before there was any proper ion, he placed a house and lot at the disposal of the school. already been related that a bill making a grant of Government the benefit of the insane and the deaf and dumb and the passed Congress and been vetoed. The Government Asylum isane, however, had been founded on a liberal basis, and Mr. argued that the deaf and blind of the District had as well- claims on the bounty of the general Government as had the He therefore framed a bill and secured the passage of an act ting the proposed institution and making some provision pport and instruction of the indigent blind and deaf children strict of Columbia.[1]

a short time after the passage of the act suspicions were is to the fitness of the proposed head of the institution. On tion, these suspicions were found to be only too correct, and being brought before the orphans court of the District of , the indentured children were removed from the control of iman master, and Mr. Kendall was made their legal guardian. ted the trust, and with all the energy of his energetic nature

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by President Gallaudet delivered at a meeting of the board of directors mbia Institution for the Deaf and Dumb, January, 1870.

he set about completing the organization of which Congress had made him president.[1]

Hon. Amos Kendall was born in Dunstable, Mass., August 16, 1789, and died at Washington, November 12, 1869. About the year 1844, when the

[1] At a special meeting of the board of directors of the Columbia Institution, on Tuesday, November 16, 1869, called to take action on the death of Mr. Kendall, at which there were present President Gallaudet, Rev. Dr. Sunderland, George W. Riggs, Hon. B. B. French, Henry D. Cooke, James C. McGuire, and David A. Hall, Mr. McGuire related the incident of the cruelty to the children and the origin of the institution, as follows:

"It happened that circumstances associated me with him in connection with an incident that first excited his sympathy in behalf of that disabled class for which this institution was established. A despicable wretch, in wandering over the earth, had fortunately, as it turned out, made Washington his home, where he got possession of a building in the First Ward, and fenced it in like a sort of prison, with a high board fence. He then hunted up all the deaf and dumb children in the community, got them in his possession, and took them to his building, pretending to call it a school for them. He would then take them about the city and exhibit them for money. A washerwoman from Georgetown, engaged in my household, informed some of my family that her son was a pupil of this man, and that in visiting him she said that the children in this so-called school were treated with cruelty, almost starved to death at all times, and thrown aside with neglect and brutal inhumanity when they were sick.

"Happening to meet Mr. Kendall a day or two after hearing of the account given of this establishment, I stated to him what I had learned, and he at once, with his prompt and characteristic decision of purpose, said: 'Let us go and see how this is.' On this suggestion, we went at once, and finding the gate at the entrance locked and barred we broke it open and entered the building. The miserable sight can not be described; it was heart-sickening. Two of the unfortunate children lay sick on a pallet, moaning most piteously. Unable to help themselves, it was evident from their horried condition that their wants had not been attended to, probably, for days. Mr. Kendall's generous nature was deeply moved. He called the man to account for the condition of the children and the treatment they received at his hands. He promised reform. There seemed no remedy for the evil except through the man himself. But this remedy was not given, and his promise of reformation was not observed. But a philanthropist, who was in earnest to do good, had witnessed himself the suffering that cried for aid, and did not rest contented with an unperformed promise of amendment. Mr. Kendall went to work, and by the aid of the law and the courts of the District, obtained possession of the children and took them to Kendall Green, and there himself became their guardian and their teacher, and that was the commencement and the foundationof this institution for the deaf and dumb.

"The provisions of the act referred to were found to be inadequate to the accomplishment of the object; and in the emergency forced upon him by the action of the orphans' court, Mr. Kendall did not hesitate to assume very heavy responsibilities, that the institution might go into operation without waiting for further action of Congress. The buildings and grounds previously offered to the school were now donated to the institution. Mr. Kendall became security for purchases of furniture and supplies, and guaranteed the payment of the salaries of the officers of the institution.

"During the second year, the time being unfavorable for securing an appropriation from Congress for buildings, and enlarged accommodations being required by the institution, Mr. Kendall added to his benefactions of the first year. These having amounted to more than $5,000 in value, he still did not hesitate to incur an expense of $8,000 for the erection of a substantial brick structure, which now forms a part of the building of the primary department."

Laboratory. Cabinet shop. Dormitory for men, and class rooms.

COLUMBIA INSTITUTION FOR THE DEAF AND DUMB.

lectric telegraph was in its beginnings, Mr. Kendall, Mr. B. B. French, nd a few others had an active part in making it a commercial success, eing directors in the first company ever formed in the world, organized o build the line between Washington and Philadelphia. Mr. Kendall's onnection with this enterprise was the basis of his fortune. Physicelly he was spare and slight of figure, with a kindly face, and courteous, entle manners; and was in all respects unlike the person his political nemies described him to be. He was a noted politician, and from 1835 o 1840 was a member of Van Buren's cabinet as Postmaster-General. t is related that when he retired from office he was so poor that he was bliged to sell the horses and carriage he had used while in official life, nd was even under the necessity of borrowing the means to supply he daily needs of his household.

II.

By the act of February 16, 1857, the Columbia Institution for the nstruction of the Deaf and Dumb and the Blind was incorporated, nd on June 13 of that year the institution was opened in two houses n Kendall Green. One of these houses, together with 2 acres of ground, was given by Mr. Kendall, who acted as president from 1857 o 1864. The superintendent was Edward Miner Gallaudet,[1] and soon after he was assisted by his mother, Mrs. Thomas Hopkins Gallaudet, as matron, and by James Denison as instructor of the deaf, and Mrs. Maria M. Eddy as teacher of the blind. The 5 deaf-mutes from New York comprised the first scholars, and during the year 7 other deaf-mutes and 6 blind children were admitted.

It was provided in the charter that the institution should receive $150 a year for each indigent pupil from the District of Columbia, the amount to be paid from the Treasury of the United States whenever the Secretary of the Interior should be satisfied by evidence submitted by the president of the institution that any deaf, dumb, or blind person of teachable age properly belonging to the District of Columbia could not command the means to secure an education. The amount thus paid during the first year was $1,600.75; the second year it was $2,380.40, and the third year $2,671.56. By the act of May 29, 1858,

[1] Dr. Edward Miner Gallaudet was born in Hartford, Conn., February 5, 1837. His father, Rev. Thomas Hopkins Gallaudet (born at Philadelphia, December 10, 1787; died at Hartford, Conn., September 10, 1851) founded at Hartford the first deaf-mute institution in America; he resigned the principalship of the institution in 1830, and from 1838 until his death was chaplain of the Connecticut Retreat for the Insane, at Hartford, Conn. Rev. Thomas Gallaudet, a brother of E. M. Gallaudet, was an instructor in the New York Institution for the Instruction of the Deaf and Dumb, from 1843 to 1858; he founded St. Ann's Church for Deaf-Mutes in 1852 and became manager of the Church Mission to Deaf-Mutes in 1872. Dr. E. M. Gallaudet is a graduate of Trinity College (class of 1856), Hartford, Conn. He was an instructor at the Hartford institution at the time when, at the age of 20 years, he was called to Washington by Mr. Kendall, in 1857. From his college days he had planned a college on the lines of the Columbia Institution.—*The Century Dictionary of Names.*

however, Congress granted $3,000 per annum for five years for the salaries and incidental expenses of the institution, and provided for the free admission of deaf and dumb or blind children of men in the military or naval service of the United States.

In 1859 a substantial brick building, erected by Mr. Kendall at a cost of $8,000, was added to the resources of the institution, and in 1860 the funds were increased by $4,000 by a transfer of the invested moneys of the Washington Manual Labor School and Male Orphan Asylum, an organization that had never undertaken to realize the objects of its foundation, and that now sought an efficient means of carrying out the trust imposed upon it.[1] The income of this fund has been used to promote industrial education, and in 1862 a cabinet shop was established.

In 1862 Congress practically assumed the support of the institution. The appropriation for the payment of salaries and incidental expenses was increased to $4,400, and $9,000 was appropriated to build, furnish, and fit up two additions to the buildings. The pupils at this time numbered 41, of whom 35 were deaf-mutes, and 6 were blind. During the succeeding year a gas plant and steam-heating apparatus were supplied at a cost to the Treasury of $3,720.

In 1864 the institution took a long step forward, both in the scope of its instruction and also in its equipment. By the act of April 8 the board of directors were empowered "to grant and confirm such degrees in the liberal arts and sciences to such pupils of the institution, or others, who, by their proficiency in learning, or other meritorious distinction, they shall think entitled to them, as are usually granted and conferred in colleges, and to grant to such graduates diplomas or certificates sealed and signed in such manner as said board of directors may determine, to authenticate and perpetuate the memory of such graduation." If the distinguish ex-officio patron of the institution, President Abraham Lincoln, read the act before he signed it, he must have been amazed at the style of the English Congress used to make a college out of a school; but confused phraseology could not impede the manifest destiny of the Columbia Institution as conceived by its indefatigable superintendent.

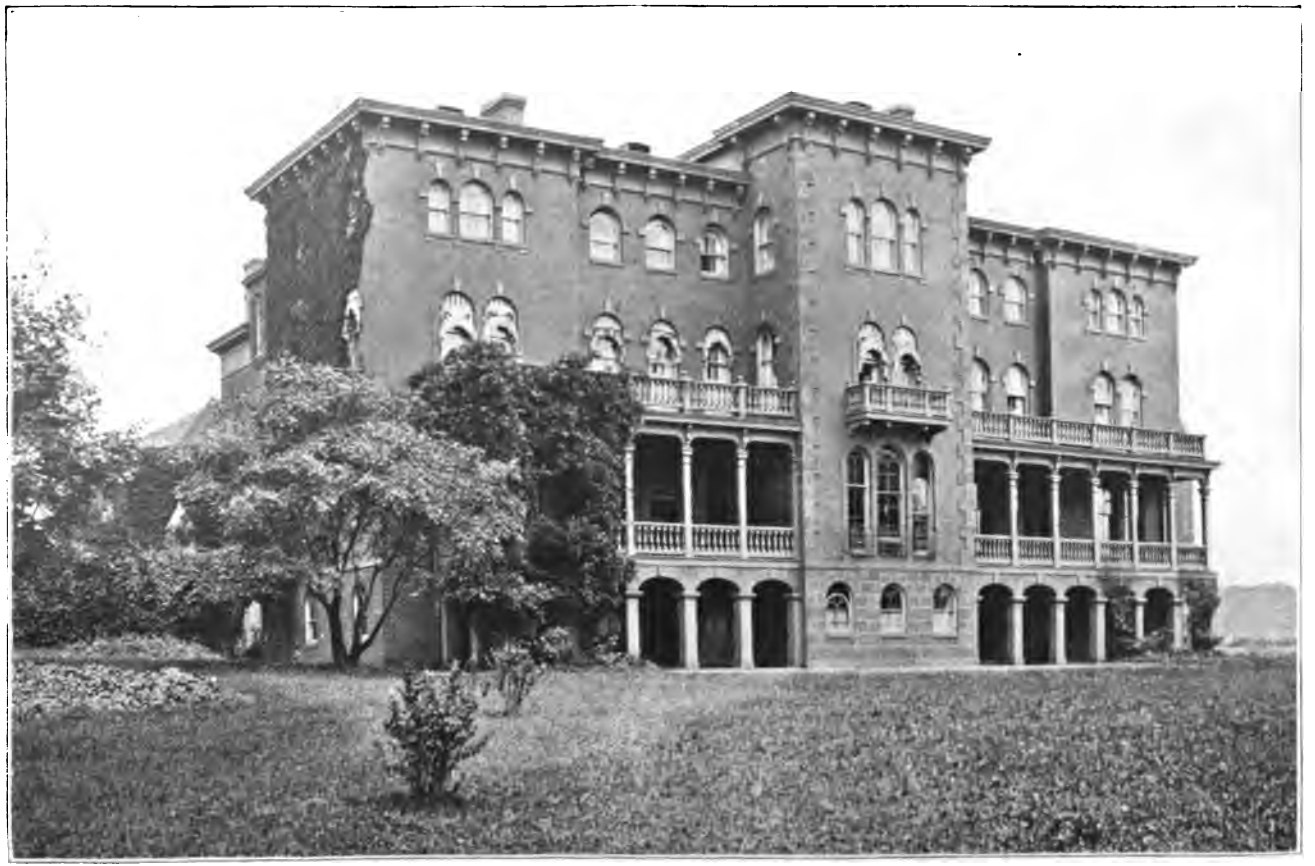
Three months after having opened the way to higher education Congress appropriated $26,000 "for the purchase of a tract of improved land, containing about 13 acres, bordering on Boundary street, of the city of Washington, and adjoining the lot now belonging to the institution, to enable it to instruct the male pupils in horticulture and agriculture, and to furnish sites for mechanic shops and other necessary buildings." To this was added $3,200 to supply Potomac water; and the allowance for salaries and expenses was increased to $7,500.

In anticipation of these appropriations of July 2, the department for the higher education of the deaf was publicly inaugurated on June 28, and subsequently became known as the National Deaf-Mute College.

[1] Act of June 13, 1860.

Gallaudet Statue. Chapel.

COLUMBIA INSTITUTION FOR THE DEAF AND DUMB.



CC INST[illegible]R THE DEAF AND DUMB DORMITORY FOR FEMALES.

This ceremony was made the occasion for an appropriate change in the management. The institution then definitely ceased to be in any sense an asylum, and became in theory as well as in fact an educational establishment. The office of superintendent was merged into that of president; and, at his own request, Mr. Kendall retired from the presidency of the corporation and of the board of directors, and was succeeded by Dr. Gallaudet.

On laying down the office of president, Mr. Kendall addressed his "young and esteemed friend," Dr. Gallaudet, in phrases that belong to the history of the institution:

In accordance with my own wishes, and the unanimous decision of the members of the association at their recent meeting, I now relinquish to you the presidency of this institution. It is an honor richly due to you for the services you have rendered to the institution, not only within its walls, but in Baltimore, in Annapolis,[1] in Congress, and in the country. To you more than to any other man is it indebted for its rapid progress, and for the high position it now holds in the estimation of the community. It is, therefore, fitting that you should be clothed with all appropriate authority needful to maintain discipline within the institution, and all practicable means of influence to protect its interests without. The members of the association have, in the history of the past, abundant grounds of confidence that under your prudent and skillful management it will not only realize their highest hopes, but secure to yourself a degree of gratitude and affection in the hearts of this class of unfortunates, and a reputation for disinterested usefulness not inferior to those acquired by your honored father. And most happy shall I be if permitted to live to see this institution, under your judicious management, become one of the brightest jewels in the coronet of the Republic, once more, by the mercy of God, united, peaceful, and free.

Thirteen students presented themselves in the autumn of 1864 for membership in the college. The organization of the collegiate department was the most advanced step that had ever been taken in the history of deaf-mute education; and, as was to be expected, there were those who doubted that persons wholly or even partially deprived of speech and hearing could engage profitably in learning the subjects of a college course. However strong these doubts may have been at the outset, the success of the college during the third of a century that it has been established has entirely dispelled them.

Of the graduates of the college, 57 have become teachers, 4 have entered the ministry, 3 have become editors and publishers of newspapers and 3 others have engaged in newspaper work, and 15 have entered the civil service of the Government. One of the latter number resigned his position to practice patent law in Cincinnati and Chicago, and was afterwards admitted to practice before the Supreme Court of the United States. One became the official botanist of a State and a contributor to the publications of the Agricultural Department; one did valuable microscopic work for the Coast and Geodetic Survey, and one became an engraver for that Survey; of three who became draftsmen in architects' offices, one is in successful practice as an

[1] In 1860 the legislature of Maryland provided for the education of pupils in the Columbia Institution.

architect on his own account, which is also true of another, who completed his preparation by a course of study in Europe; one has been repeatedly elected recorder of deeds in a Southern city, and two others are recorders' clerks in the West; one was elected and still sits as a city councilman; another has been elected city treasurer and is at present cashier of a national bank; one has become eminent as a practical chemist and assayer; two are members of the faculty of the college, and two others are rendering valuable service as instructors therein; some have gone into mercantile and other offices, some have undertaken business on their own account, while not a few have chosen agricultural and mechanical pursuits, in which the advantages of thorough mental training will give them a superiority over those not so well educated. Of those alluded to as having engaged in teaching, one has been the principal of a flourishing institution in Pennsylvania; one is now in his second year as principal of the Ohio institution; one has been at the head of a day school in Cincinnati, and later of the Colorado institution; a third has had charge of the Oregon institution; a fourth is at the head of a day school in St. Louis; three others have respectively founded and are now at the head of schools in New Mexico, North Dakota, and Evansville, Ind.; and others have done pioneer work in establishing schools in Florida and in Utah.[1]

III.

During the early years of the college, before the appropriations by Congress were sufficient to provide for the necessary aid to students of slender means, private aid was forthcoming, and free scholarships were maintained for a time by Mr. Kendall, W. W. Corcoran, George W. Riggs, Benjamin B. French, Jay Cooke & Co., Charles Knap, of Washington, D. C.; Thomas Smith and Edson Fessenden, of Hartford, Conn.; William Sprague, of Providence, R. I.; George Merriam, of Springfield, Mass., and J. P. Williston, of Northampton, Mass. Mr. Edward Owen, of Washington, D. C., also helped the college materially by a gift of apparatus.[2]

By the act of February 23, 1865, the Secretary of the Interior was authorized to cause all indigent blind children who were then and who might thereafter become entitled to instruction in the Columbia Institution to be instructed in some institution for the education of the blind in Maryland or some other State, at a cost not greater for each pupil than is or may be for the time being paid by such State, and to cause the same to be paid for out of the Treasury of the United States. In this way the Columbia Institution was left to its natural development as a school for deaf-mutes. The cost of such instruction did not reach $3,000 in any year previous to 1876, and now the number of beneficiaries is between 20 and 25, and the annual expense per pupil

[1] Catalogue for 1892.

[2] President Gallaudet's historical sketch of the Columbia Institution for the Deaf and Dumb, printed in 1893.

STATUE OF THOMAS HOPKINS GALLAUDET.

Daniel C. French, Sculptor.

is $300. Payment for the indigent blind children of the District of Columbia is made from any money in the Treasury not otherwise appropriated.

The Maryland Institution for the Blind, at Baltimore, where are sent the indigent blind children of persons actively engaged in the military and naval service of the United States and the indigent blind children of the District of Columbia, has a regular course of study, beginning with a kindergarten and advancing to courses in political economy, philosophy, ethics, chemistry, and the theory and practice of music. Instruction is given also in piano tuning, chair caning, and broom and mattress making. The school is nonsectarian, and the discussion of religious questions is forbidden; the pupils, however, are required to attend such churches and Sunday schools as are selected by their respective parents or guardians.[1]

In 1867 the needs of the Columbia Institution were such as to lead Congress to appropriate $39,000 for the erection of a dormitory building, and by 1870 a central building, containing a public hall and refectories, had been finished, at a cost of $120,000; and besides, two commodious dwellings had been erected for the college officers. In 1870 the appropriation for salaries and expenses, which had started at $3,000 in 1858, was $40,775, and two years later it rose to $48,000. In the first eighteen years of the life of the institution, from 1857 to 1875, the Government appropriations for maintenance, tuition, and general expenses amounted to $470,134.51.

From 1872 to 1874 Congress provided for the purchase of 80 acres of land, the estate of the late Amos Kendall, at a cost of $80,000. These lands, adjoining on two sides the holdings of the institution, made the entire domain amount to 100 acres, all lying within 2 miles of the Capitol. It was provided at the same time that all the real estate owned by the Columbia institution shall be vested in the United States as trustee, for the sole use and purpose provided in the act of incorporation; and that whenever Congress shall so determine, any part of the estate may be sold, and so much of the proceeds thereof as may be needful for the purpose shall be applied to reimburse the United States for the expenditure caused by the purchase of the Kendall estate.[2]

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[1] See Annual Report of the Secretary of the Interior.

[2] In the purchase of Kendall Green, private aid was rendered by the following contributors: Hon. A. E. Borie, Clement Biddle, J. Harrison, jr., William Welsh, A. J. Drexel, M. Baird & Co., H. P. McKean, William Sellers & Co., Jay Cooke & Co., J. S. Lentz & Co., William Weightman, George W. Childs, John Farnum, Hon. Horace Binney, James L. Claghorn, Charles Wheeler, C. and H. Borie, Jacob P. Jones, Thomas H. Powers, George F. Tyler, H. G. Morris, Samuel Welsh, H. C. Gibson, Clarence H. Clark, J. E. Caldwell, H. Geiger, J. M. Whitall, L. A. Godey, Charles Yarnall, and F. J. Dreer, of Philadelphia; Edson Fessenden, Thomas Smith, Tertius Wadsworth, T. M. Allyn, Mrs. Samuel Colt, C. C. Lyman, and J. F. Burns, of Hartford, Conn.; and John Amory Lowell, H. P. Kidder, William T. Andrews, Benjamin E. Bates, George C. Richardson, Samuel D. Warren, J. S. Ropes, and Percival L. Everett, of Boston.

Additions to the buildings were also provided for from time to time, so that by 1875 the purchase and construction account showed an expenditure on the part of the United States amounting to $538,165.33.[1] In 1881 a fine gymnasium, built according to the plans and suggestions of Dr. D. A. Sargent, the director of the Heminway Gymnasium at Harvard University, was added to the equipment, at an expense of $14,000, and in 1887 a chemical laboratory, costing $8,000, was completed.

IV.

The Columbia Institution for the Deaf and Dumb now embraces three departments: The Gallaudet College for the Deaf, the Kendall School, and the Normal School.[2] The college course of study includes an introductory course of one year, leading to the regular four years of work in the college proper. Necessarily the studies are adapted to the pupils. In mathematics, algebra, geometry, plane and spherical trigonometry, calculus, and mechanics; in English the course covers four years and includes history of English literature and original work;

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[1] Ex. Doc. No. 84, Forty-fifth Congress, second session, p. 114.

[2] The name of the college was changed from the National Deaf-Mute College to the Gallaudet College for the Deaf on the petition of the alumni association. In 1893 this association held a meeting at Chicago, Ill., which resulted in the following action:

To the Board of Directors of the Columbia Institution for the Deaf and Dumb.

GENTLEMEN: Agreeably to instructions from the alumni of the association of the National Deaf-Mute College, at a meeting held in Chicago, Ill., July 21, 1893, we, a committee representing the alumni, respectfully present to the attention of your honorable body the following resolution adopted by the association:

Resolved, That it is the earnest desire of the alumni association that the distinguished services of Thomas Hopkins Gallaudet, the founder of deaf-mute instruction in America, should be commemorated by changing the title of that department of the Columbia Institution for the Deaf and Dumb now known as the National Deaf-Mute College to Gallaudet College for the Deaf.

It has been truly said that with the appearance of Thomas Hopkins Gallaudet upon the scene the intellectual history of the deaf in this country begins. By him was founded a system which, embodying all the elements of growth and improvement, made the higher education of the deaf as afforded by the college a practical possibility. His work and the manifold blessings to humanity flowing therefrom are too familiar to call for mention. The honor for which we petition, of naming our college after this distinguished educator and philanthropist, may, we trust, find an echoing response in your favorable action.

Respectfully submitted.

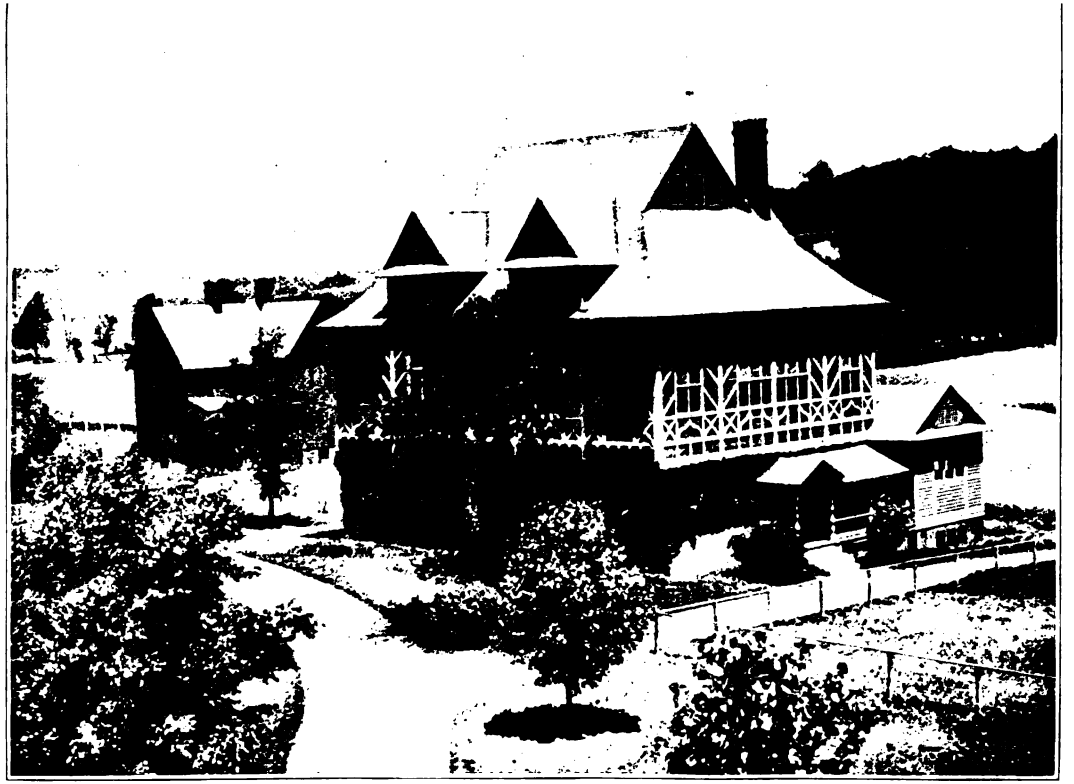
THOMAS F. FOX, 1883, New York, *Chairman*.
OLOF HANSON, 1886, Minnesota.
D. S. ROGERS, 1873, Kansas.

At the commencement exercises held on May 2, 1894, President Welling, of the Columbian University, made this reference to the change of name:

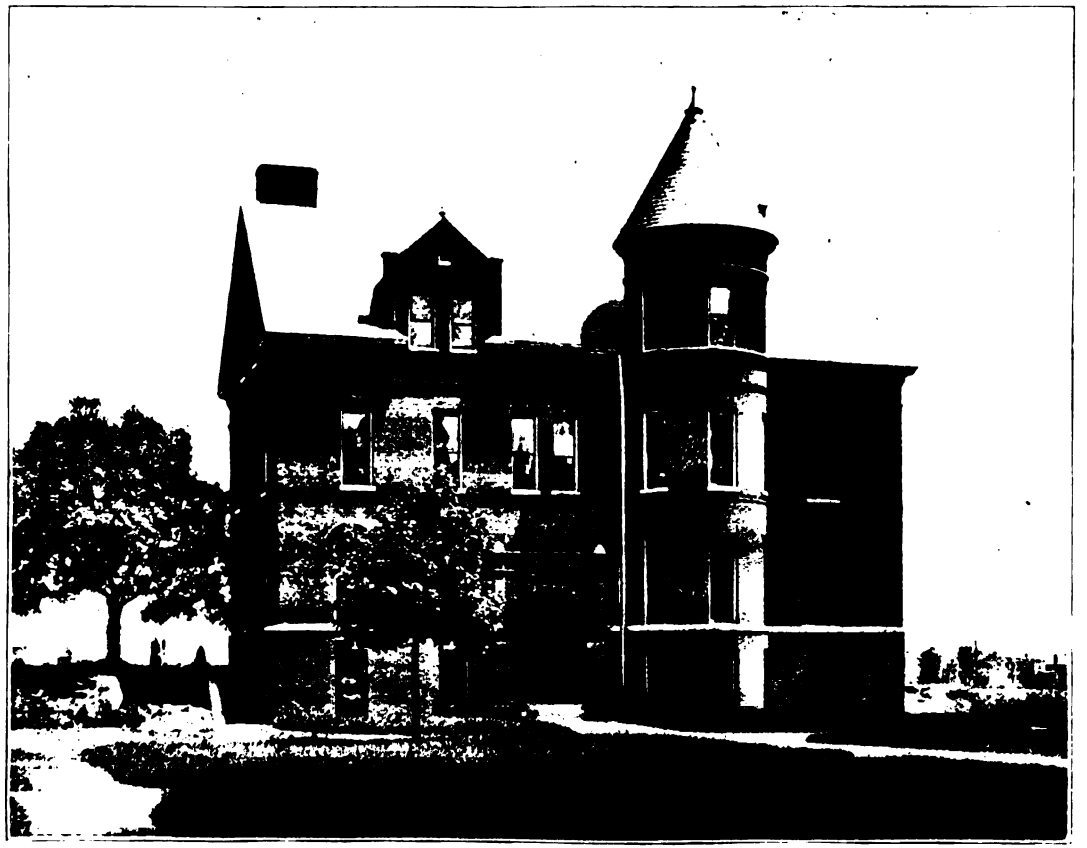
It is known to us all that institutions of the higher learning in the United States, while having corporate and official names and designations, are required, in order that they may explain to the public the differentiated work in which they are engaged, to indicate by special and descriptive titles the peculiar educational functions discharged by the schools which are embraced under their general official designation. * * *

Now, it so happens that in our great seat of learning established here for the special benefit of those who are deaf (I can not say those who are deaf and dumb, because they are not all dumb), in this institution of learning established for the instruction of the deaf, as the range of its studies has grown, as it has ramified, as it has developed, we are required to have subclassifications by which we may know the various and the specialized work to which it devotes itself.

Some years ago, when a school was established here for instruction in the elemen-



THE COLUMBIAN INSTITUTION FOR THE DEAF AND DUMB—GYMNASIUM.



COLUMBIA INSTITUTION FOR THE DEAF AND DUMB BOYS' DORMITORY.

in Latin, Cæsar, Cicero, and Virgil's Æneid occupy the freshman and junior years; in Greek (an optional study), the Anabasis, the Iliad, and an oration of Demosthenes occupy three years, making the course in the classes equal to the requirements for admission to the leading colleges; in history, Meyer's General History, and Guizot's History of Civilization; in science, zoology, chemistry with laboratory practice, botany, physics, astronomy, geology; there is a year each of French and German; and there are courses in psychology, ethics, philosophy, political economy, international law, and æsthetics. The number of pupils in the collegiate department is 108, representing 30 States, the District of Columbia, and Canada.

The Kendall School, as the primary department of the institution has been called since 1885, receives pupils mainly from the District of Columbia, although a number came from Maryland between 1860 and 1868, and both Delaware and Montana[1] send their beneficiaries to the Columbia Institution. Children also are sent to the school from various States to be prepared for college. The aim of the school is to give the pupil a practical understanding and command of the English language, a knowledge of the principles of arithmetic sufficiently extensive to

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tary branches of knowledge, so that the deaf and dumb might here receive training in the elementary culture which would qualify them for business life, or at least begin the training required for the more exacting duties of college life, we all remembered that the board of directors called it the Kendall School, in grateful memory of Amos Kendall, well known in political history of the United States, above all, well known in Washington City.

And so we have here the Kendall School as a subclassification of the work done in the Columbia Institution for the Deaf and Dumb, the official designation by which the institution is known. Now, we have listened to-day to exercises which indicate a higher academic learning, and it has seemed to the board of directors, responding, I may say, to repeated and earnest entreaties coming from different parts of the land, and recently renewed in a petition of the alumni signed by a committee representing all sections of the country, that this department now receive a special designation by which its particular work, its distinctive work, should be signified at once by the name it shall bear. * * *

That name has already been signified to you in bronze in the statue which stands yonder on this college green, a statue erected in memory of a great work done in the cause of education for the deaf and the dumb, because it is a statue erected in grateful memory of him who was the founder of this system of education in the United States. I need not say I refer to Thomas Hopkins Gallaudet, the founder of the first institution ever established for the instruction of the deaf and dumb in our country. And when I have pronounced that name I have told you a magnificent history and I have pronouced a eulogy, because it is impossible to name Thomas Hopkins Gallaudet without signifying the work he did for the deaf and the dumb of our whole land. Born in 1787, a graduate of Yale College, a teacher in Yale College, a graduate of one of the great theological seminaries of the North, a preacher of distinction, he early became interested in the education of the deaf and the dumb because of that sympathetic heart which brought him in close contact with one single sufferer from this difficulty of speech. That was enough to move him, and from that time he devoted himself to the study of all those appliances by which knowledge and culture might be brought within the reach of the deaf and the dumb. * * *

Therefore it is that the board of directors of the Columbia Institution for the Deaf and Dumb have ordained that hereafter its academic, its collegiate department shall be known as Gallaudet College.

The statue referred to by Dr. Welling is one of the most celebrated works of Daniel C. French, and was executed in 1887. It represents Dr. Gallaudet teaching his first pupil, Alice Cogswell, a girl of 8 or 9 years, who lived next to him at Hartford.—*MS. letter from D. C. French to the Editor*, September 7, 1887.

[1] Montana has recently established a school for the deaf of that State.

meet his needs in business transactions, a full course in political geography, and a reasonable course in history. Daily instruction in articulation and lip reading is given to every pupil who shows a capacity for vocal improvement, and all the various appliances that can aid the hearing are employed. The school has 67 pupils.

The normal department was organized in 1892, with six hearing young men and one young lady, who were instructed in all the methods of teaching the deaf. The young men were college graduates, and the young woman was a graduate of the Boston High School. The degree of master of arts was awarded to the men after one year of study, and on leaving the college they found situations as instructors of the deaf and dumb, respectively, in New York City, Philadelphia, Chicago, Faribault, Colorado Springs, and Austin. The seventh was retained at the National College. Thus auspiciously begun, the normal department has been continued with increasing success. The normal students are especially helpful as instructors of speech and speech-reading in the college.

The institution is managed by a board of directors on which Congress is represented by one member of the Senate and two members of the House of Representatives. The admissions of all beneficiaries are subject to the approval of the Secretary of the Interior.

CHAPTER IV.

GOVERNMENT HOSPITALS AND ASYLUMS.

THE war of the rebellion found Washington a straggling village; made of the District of Columbia an enormous fortified camp, and left the beginnings of a modern city. With the two exceptions of the Government Asylum for the Insane and the Columbia Institution for the Deaf and Dumb, every public charitable institution and agency had its origin either during or after the war. Dr. Samuel C. Busey's reminiscences of a Washington doctor's life during the two decades before the rebellion show how impossible any organized charity would have been in a city so slightly organized.[1]

It was during war days that the doctors of Washington discarded the margins of newspapers for the prescription blanks furnished by the druggists. The day of the specialist was far distant. The young doctor trudged on foot over unpaved streets and through alleys rarely lighted with lard-oil lamps to earn the dollar fee that often failed to be forthcoming, while the more prosperous practitioner rode in a buggy, which was at once his comfort and his advertisement. Yet even the successful doctor in all his pride was compelled to make way for the gangs of geese and the droves of swine that acted as public scavengers to dispose of the garbage that was thrown into the carriage ways. To drive over one of these garbage collectors was to incur a fine or an enforced visit to the workhouse, until a citizen of importance was knocked down and killed, in front of the general post-office, by a pig running between his legs. This sacrifice proved effective, and stray animals were banished from the streets by law.

"Then," says Dr. Busey, "the war came, and with it a transformation not less surprising than the primitive methods and conditions to which I have referred. The barren farm and pasture lands were occupied with encampments, fortifications, parade grounds, hospitals, wagon yards, mule pens, and other munitions of warfare. The streets were in continuous martial array with troops equipped for the field. In brief, the city was one great, impregnable fortress, protecting a Government that never for one moment faltered in courage or paused in prosecu-

[1] See also A Chorographical and Statistical Description of the District of Columbia, by D. B. Warden. Paris, 1816; pp. 92–97.

tion. With these stupendous preparations and masses of troops there came the *omnium gatherum* of contrabands, refugees, scalawags, camp followers, tramps, substitute brokers, wild-cat money changers, office seekers, as now, and last but not least the croakers who lived upon the innocent credulity of timid women and cowardice of malingerers who wanted war but somebody else to do the fighting." [1]

In the District of Columbia and Alexandria no fewer than eighty-five hospitals were opened for a longer or shorter time between 1861 and 1866. Churches, hotels, schoolhouses, private residences, and even the Capitol itself were pressed into service to meet sudden exigency or to provide for distinct classes of cases. The home of Stephen A. Douglas became the Douglas Hospital; that of Joseph Gales was known as the Eckington Hospital. The Harewood Hospital was built upon the farm of W. W. Corcoran, and the Kalorama Hospital for eruptive diseases occupied the private residence of General Bomford, that had once been the home of Joel Barlow, the poet, and Robert Fulton, the inventor. The new east wing of the Government Insane Asylum was opened as a military hospital under the distinguishing name of St. Elizabeth's, a title that has since clung to the asylum itself. The congregation of St. Aloysius erected a building in order to prevent their church from being used for hospital purposes, but Ascension, Epiphany, Grace, Trinity (Episcopal); the Dunbarton Street, Ebenezer, Ryland Chapel, Union Chapel (Methodist Episcopal); the E Street and Thirteenth Street (Baptist); the Fourth Presbyterian, and the Unitarian churches of Washington were among those occupied by the Government for the reception of the sick and wounded.

The following list of hospitals for the accommodation of soldiers is taken from Dr. J. M. Toner's anniversary oration:

Armory Square, Washington, D. C. Consisted of eight long, one-story, frame buildings, erected on purpose, ends fronting on Seventh street, between the Canal and D street south. Opened August, 1862; closed September 11, 1865. Buildings retained by Quartermaster's Department as storehouses.

Bayne, George. Private residence, Alexandria, Va., corner of King and Water streets. Branch of first division United States General Hospital.

Bellhaven Female Institute, Alexandria, Va. Corner of Queen and St. Asaph streets. Branch of third division United States General Hospital.

[2] Beverly, Mrs. Private residence, Alexandria, Va., Washington street, between Oronoco and Princess streets.

[2] Building used as a hospital, Alexandria, Va., on Cameron, near corner of Water street. (Owner's name not ascertained.)

Campbell, Washington County, D. C. Frame buildings, erected on purpose, on ground just outside of city limits, at north end of Sixth street. Opened December, 1862; closed July 22, 1865. (Buildings transferred to General Howard, who had a freedman's hospital opened.)

Capitol of the United States, Washington, D. C. Hospital opened in September, 1862; closed November, 1862.

Carver, Washington County, D. C. Frame buildings erected on a site adjacent to and north of Columbian College, on the Fourteenth street road. Opened July, 1862; closed 16th August, 1865.

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[1] Dr. Busey's Reminiscences, pp. 55, 56.

[2] Not corroborated by any record found in the War Department, December 10, 1897.—*Letter of Surgeon-General Sternberg to the joint committee.*

Caspari's Hotel, Washington, D. C. Situated on South A street, between New Jersey avenue and First street east. Opened July, 1862; closed 26th February, 1863.

Church, Ascension (Episcopal), Washington, D. C. Situated on north H street, between Ninth and Tenth streets. Opened July, 1862; closed 2d March, 1863.

Church, Baptist, Alexandria, Va. On Washington street, between Prince and Duke. Branch of second division United States General Hospital.

Church, Dunbarton Street (Methodist Episcopal), Georgetown, D. C. On Dunbarton street, between Congress and High. Opened October, 1862; closed 8th January, 1863.

Church, E Street Baptist, Washington, D. C. On E street north, between Sixth and Seventh streets west. Opened July, 1862; closed 26th December, 1862.

Church, Ebenezer (Methodist Episcopal), Washington, D. C. On Fourth street east, between South Carolina avenue and D street south. Opened July, 1862; closed 26th December, 1862.

Church, Epiphany (Episcopal), Washington, D. C. On G street north, between Thirteenth and Fourteenth streets west. Opened July, 1862; closed 11th January, 1863.

Church, Fourth Presbyterian, Washington, D. C. On Ninth street west, between G and H streets north. Opened July, 1862; closed 2d March, 1863.

Church, Grace (Episcopal), Alexandria, Va. On Patrick street, between Prince and Duke streets. Branch of second division, and afterwards continued and known as L'Ouverture General Hospital for Colored People.

Church, Grace (Episcopal), Washington, D. C. On D street south, between Eighth and Ninth streets west. Opened July, 1862; closed January, 1863.

Church or meeting house of the Society of Friends, Alexandria, Va. On corner of St. Asaph and Wolfe streets.

Church, Methodist Episcopal, South, Alexandria, Va. On Washington street, between King and Prince. Branch of second division United States General Hospital.

Church, Presbyterian, Georgetown, D. C. On Bridge street, between Washington and Green, south side. Opened September, 1862; closed 29th December, 1862.

Church, Ryland Chapel (Methodist Episcopal), Washington, D. C. On southeast corner of D street south and Tenth street west. Opened July, 1862; closed January, 1863.

Church, Second Presbyterian, Alexandria, Va. On corner of St. Asaph and Prince streets.

Church, St. Paul's (Episcopal), Alexandria, Va. Corner of Duke and Pitt streets Branch of first division United States General Hospital, Alexandria.

Church, Trinity (Episcopal), Washington, D. C. Corner of C street north and Third west. Opened July, 1862; closed April, 1863.

Church, Trinity (Catholic), Georgetown, D. C. On Lingan, between First and Second streets. Opened October, 1862; closed January 12, 1863.

Church, Thirteenth Street Baptist, Washington, D. C. On east side of Thirteenth street west, between G and H north. Opened and closed with Epiphany on G street.

Church, Unitarian, Washington, D. C., also known by the name of Cranch Hospital. On corner of Sixth street west and D street north. Opened July, 1862; closed December 26, 1862.

Church, Union Chapel (Methodist Episcopal), Washington, D. C. On Twentieth street west, between Pennsylvania avenue and H street north. Opened July, 1862; closed December, 1862.

[1] **Circle General Hospital**, Riggs House, corner of Twenty-fourth and K streets, Washington.

[1] **City Hall General Hospital**, Indiana and Louisiana avenues, between Fourth and Fifth streets northwest, Washington.

[1] **Claremont General Hospital**, located in the Claremont mansion, 2½ miles from Alexandria.

Cliffburn (Mrs. Hobbie's residence), Washington County, D. C. Situated about 1 mile beyond the city boundary, from northern terminus of Twentieth street west. Large buildings and tents erected on the grounds to increase accommodations in addition to the mansion. Opened April, 1862; closed December, 1862.

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[1] Hospital not given in Dr. Toner's list, but in records of the War Department, December 10, 1897.

College, Columbian, Washington County, D. C. Situated on the Heights, just north of the corporation limits, with tents and temporary buildings erected on grounds, on the Fourteenth street road. Opened July 1861; closed July 10, 1865.

College, Georgetown (Catholic), Georgetown, D. C. Situated on the Heights, overlooking Washington and the Potomac River. Opened in September, 1862; closed February 1, 1863.

[1] Commissary Hospital, Alexandria, Va. In a house on Prince street, between Union and Water.

[2] Convalescent Camp, rendezvous of distribution, and Augur Hospital, near Alexandria.

Dajngerfield, Mrs. Edward (private residence), Alexandria, Va. Corner of Wolfe and Pitt streets. Branch of the first division United States General Hospital.

Desmares (residence of Charles Hill, sr.), on the corner of Massachusetts avenue and Fourteenth street. Inclosed with the house is a half square of ground upon which additional frame buildings were erected. Opened March, 1863; closed December 2, 1865. (This building is now used as the Columbia Hospital for Women and Lying-in Asylum.)

Douglas (private residence of the late Stephen A.), Washington, D. C. Including two adjoining dwelling houses and temporary frame buildings, erected on the remainder of the square bounded by New Jersey avenue and Third street north and I and K streets west. Opened January, 1862; closed December 11, 1865.

[1] Dwelling house, No. 461 E street north, between Fifth and Sixth streets west. Occupied after the burning of the Washington Infirmary, and until the Douglas Hospital was opened.

Eckington (private residence of the late Joseph Gales), situated about half a mile beyond the city limits, opposite the northwestern terminus of New York avenue. Temporary buildings and tents were erected here to increase hospital accommodations. Opened January, 1862; closed April 3, 1863.

Emory Hospital, Washington, D. C. Frame building erected on purpose, covering the squares bounded by Seventeenth and Nineteenth streets east and B and D streets south. Opened August 1, 1862; closed July 22, 1865.

English, Miss L. S. Female Seminary, Georgetown, D. C. Situated on the northeast corner of Gay and Washington streets. Opened July, 1861; closed July 18, 1865.

[2] Eruptive Fever General Hospital, First street, between B and C streets southeast, Washington.

Female Boarding School, Alexandria, Va. On Washington street, between Queen and Cameron. Branch third division United States General Hospital.

Finley, Washington County, D. C. Buildings erected on purpose at Kendall Green, just outside of the city limits, opposite northern terminus of Fourth street east. Opened July, 1862; closed August, 1865.

Fowle, W. H. Private residence, Alexandria, Va. On Prince, between Columbus and Alford streets. Branch of second division United States General Hospital.

[2] General Hospital (Fairfax Seminary), located in the Protestant Episcopal Theological Seminary, 2 miles from Alexandria.

[2] General Hospital, Giesboro Point.

[2] General Hospital, Nos. 360 and 364 C street northwest, Washington.

[2] Grosvenor House (branch of third division General Hospital), located in the Grosvenor House, on Washington street, between Princess and Orinoco streets, Alexandria, and in the Casenove House.

[1] Hallowell, B. Private residence, Alexandria, Va. On Washington street, between Green and Cameron Branch of third division United States General Hospital.

Hallowell, James S. Female Seminary, Alexandria, Va. On Fairfax, between Cameron and Queen streets. Branch of first division United States General Hospital.

Harewood, Washington County, D. C. On the farm of W. W. Corcoran, about one mile and a half directly north of the city limits. Extensive frame buildings erected on purpose for hospitals. Opened September, 1862; closed May 24, 1865.

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[1] Not corroborated by any record found in the War Department, December 10, 1897.—*Letter of Surgeon-General Sternberg to the joint committee.*

[2] Hospital not given in Dr. Toner's list, but in records of the War Department, December 10, 1897.

THE SOLDIERS' HOME.

Island Hall, Washington, D. C. Corner of D street south and Sixth street west. Opened July, 1862; closed March, 1863.

[1] **Jewish Synagogue, Washington, D. C.** On the west side of Eighth street west, between H and I north. Opened July, 1862; closed March, 1863

Johnson, Rev. J. T. Private residence, Alexandria, Va. On Prince between Columbus and Alford streets. Branch of second division United States General Hospital.

Judiciary Square, Washington, D. C. Commodious frame buildings erected on this square after the burning of the Washington Infirmary. Opened April, 1862; closed July 8, 1865.

Kalorama, Washington County, D. C. Hospital for eruptive diseases. The private residence of General Bomford, and once the residence of Joel Barlow and his friend Robert Fulton, pleasantly situated on an elevated site just outside the city limits, opposite the northern terminus of Twenty-first street west. Opened early in the war, and still continued.

Lincoln Hospital, Washington, D. C. Extensive frame buildings, erected for the purpose, fronting west, in the square between Thirteenth and Fourteenth streets east, following pretty nearly the line of North Carolina avenue to Seventeenth street east, and then along that street to A street south, and then in a triangular direction to the point of beginning. Opened January, 1863; closed August 26, 1865. Buildings now occupied by quartermaster's stores.

L'Ouverture Hospital, for colored troops, Alexandria, Va. Buildings erected on the corner of Washington and Prince streets. Opened March, 1864; closed September, 1865. (Then opened by the Freedmen's Bureau and continued as a hospital.)

Lyceum Building, Alexandria, Va. Corner of Washington and Prince streets. Branch of second division United States General Hospital.

Mansion House (hotel), Alexandria, Va. Corner of Cameron and Fairfax streets. Headquarters first division United States General Hospital.

McVeigh, J. H. (private residence), Alexandria, Va. Corner of St. Asaph and Cameron streets. Branch of third division United States General Hospital.

Mount Pleasant, Washington County, D. C. On the Holmead estate, Piney Branch road. Frame buildings erected for the purpose about 1 mile north of the city limits, from the termination of Fourteenth street. Opened April, 1862; closed August 10, 1865.

[1] **National Era Building, Washington, D. C.** Corner of Indiana avenue and Second street west. Opened July, 1862; closed April, 1863.

[2] **New Hallowell** (branch of the General Hospital, and third division General Hospital), located in William Hallowell's three-story brick house, on Washington street, opposite Old Hallowell General Hospital, Alexandria.

Odd Fellows' Hall, Washington, D. C. On Eighth street east, between F and G south. Opened July, 1862; closed March, 1863.

Old Capitol Prison, Washington, D. C. Corner of A street north and First street east, to which was attached an extensive hospital for State prisoners.

[2] **Old Hallowell** (branch of the third Division General Hospital), located in Old Hallowell school building on west side of Washington street, between Cameron and Queen streets, Alexandria.

Patent Office, Washington, D. C. Occupying squares bounded by Seventh and Ninth streets west and F and G streets north. The north and west wings used as a hospital. Opened October, 1861; closed January 16, 1863.

Robertson, T. B. (private residence), Alexandria, Va. Corner of Prince and Columbia streets; was occupied as headquarters second division United States General Hospital. Taken September, 1862.

Schoolhouse (public), Washington, D. C. On Judiciary Square, Fifth street west, between G and H streets north. Occupied November 3, 1861, after the burning of the Washington Infirmary; vacated on the opening of Douglas Hospital in January, 1862.

[2] **Sickel Barracks General Hospital** (branch of second division General Hospital). Designation changed to Sickel General Hospital; located in a three-story brick building in the northwest section of Alexandria.

[2] **Slough Barracks General Hospital**, branch of the third division (designation changed to Slough General Hospital). Located in wooden barracks on Duke street, Alexandria.

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[1] Not corroborated by any record found in the War Department, December 10, 1897.—*Letter of Surgeon-General Sternberg to the joint committee.*

[2] Hospital not given in Dr. Toner's list, but in records of the War Department, December 10, 1897.

Smith, F. L. (private residence), Alexandria, Va. On corner of Wolfe and Pitt streets, Branch of first division United States General Hospital.

[1] Soldiers' Rest General Hospital (branch of first division General Hospital), located near depot of Orange and Alexandria Railway, Alexandria.

St. Aloysius, Washington, D. C. This building was erected by and at the expense of St. Aloysius (Catholic) congregation, on a square between K and L streets north and First street west and North Capitol, to be used, instead of their church, which the exigencies of the war demanded, for the accommodation of the sick and wounded. Opened October, 1862; is still continued as a post hospital.

St. Elizabeth, Washington County, D. C. This hospital consisted of the new east wing of the Government Insane Hospital, situated on a commanding elevation, about 2 miles south of the city. Opened December, 1862; closed May 28, 1864.

Stanton, Washington, D. C. Frame buildings erected on square bounded by H and I streets north and Second and Third west. Opened December, 1862; closed October 19, 1865.

Stone, Washington County, D. C. Country residence of the late W. J. Stone, just outside the corporate limits, at the northern terminus of Fourteenth street, and opposite Columbian College. Opened April, 1862; closed July 1, 1865.

Union Hotel, Georgetown, D. C. Northeast corner of Bridge and Washington streets Opened May, 1861; closed March, 1863.

[1] Washington Hall General Hospital (branch of the second division General Hospital), located in Washington Hall, corner of Washington and King streets, Alexandria.

Washington Infirmary, Washington, D. C. On Judiciary square. Taken possession of by the army for a hospital in April, 1861, and occupied until destroyed by fire. November 3, 1861.

Waters, Joseph (warehouse), Georgetown, D. C. On High street, between Bridge and Water streets. Opened September, 1862; closed October, 1862.

II.

As an outgrowth of the extensive hospital work done during the rebellion the Army Medical Museum was established. The act of April 7, 1866, authorized the purchase of the property in Washington City known as Ford's Theater, for the deposit and safekeeping of documentary papers relating to soldiers of the Army of the United States and of the Museum of the Medical and Surgical Department of the Army, and during the following year the property was bought for $88,000. This building was occupied by the Museum until the completion of the present Museum building, on the corner of Seventh and B streets southwest. In this Museum are collected and preserved pathological specimens representing nearly every disease and accident that occurred in the Army and Navy during the war. The Medical and Surgical History of the War and the Index Catalogue of the Library of the Surgeon-General's Office are monumental works.[2]

Several of the hospitals established during the war were continued for some time thereafter. The Kalorama Hospital was open to citizens of the District on payment of $1.50 a day, and St. Aloysius Hospital

[1] Hospitals not given in Dr. Toner's list, but in records of the War Department, December 10, 1897.

[2] The Ford's Theater building, now occupied by the medical records of the soldiers of the rebellion, was erected about 1833 as a Baptist church, for which purpose it was used until 1860, when John T. Ford bought it to use as a theater. He rebuilt it after the fire of 1863. As a theater, it was the most popular place of amusement in Washington up to April 14, 1865, when President Lincoln was assassinated there.

UNITED STATES NAVAL HOSPITAL.

UNITED STATES NAVAL HOSPITAL—REAR VIEW.

became on May 1, 1866, the Washington City Post Hospital for the treatment of enlisted men stationed at the barracks and camps around Washington and for the quartermaster's employees. The Freedmen's Hospital will receive attention later.

III.

In order to complete the record of strictly Governmental hospital work, it is necessary to mention briefly the Military Asylum, popularly known as the Soldiers' Home, and the Naval Hospital. The former of these institutions was created by the act approved March 3, 1851, which appropriated any unexpended balance of the appropriation made March 2, 1847, then remaining in the Treasury for the benefit of discharged soldiers disabled by wounds; the sum of $118,791.19 levied by the commanding general of the Army of the United States in Mexico during the war with that Republic, for the benefit of the soldiers of the United States Army, regulars and volunteers, engaged in that war, but taken possession of as funds of the United States and placed in the Treasury; all stoppages or fines adjudged against soldiers by sentence of courts-martial, over and above any amount that may be due for the reimbursement of the Government or of individuals; all forfeitures on account of desertion; all moneys, not exceeding two-thirds of the balance on hand, of the hospital fund and post fund of each military station, after deducting the necessary expenses of the year, and all moneys belonging to the estates of deceased soldiers which are now or may hereafter be unclaimed for the period of three years subsequent to the death of such soldier or soldiers, to be repaid by the commissioners of the institution upon demand of the heirs or legal representatives of the deceased.

The location of the asylum was determined by Gen. Winfield Scott, who had confiscated the property that was sold to create the fund on which the establishment was based. The original site was purchased in 1853, additions being made in 1875 and 1876; the total cost was $436,080.94, of which sum $100,000 represents the cost of the original purchase.[1]

The officers of the Home for 1896 were Brig. Gen. David S. Stanley, governor; Capt. D. A. Irwin, deputy governor; Maj. Richard C. Parker, secretary and treasurer; Lieut. Col. W. H. Forwood, surgeon. There are 502 acres in the tract owned by the Home, of which about 28 are used for farming purposes, 12 for the garden, 42 for lawns, and 200 for pasturage; and there are about 200 acres in woodland, and 20 acres occupied by the buildings. The average number of officers and members present during the year ending September 30, 1896, was 688, which is a slight increase over the number reported for the year before, and a gain of only 63 over the average of ten years ago. The highest number

[1] Ex. Doc. No. 84, Forty-fifth Congress, second session, p. 70.

present during the year was 722, on February 28, 1896, and the lowest 657, on July 6, 1896; and the total cared for was 1,535, against 1,755 the preceding year.

Facilities for amusement consist of billiards, pool, and bagatelle tables, cards, chess, checkers, and dominoes, occasional variety entertainments, a band, and a library. Each barrack building has a sort of assembly room set aside, which is located on the ground floor in the Anderson Building and in the basement in the other four. The billiard hall is located in the basement of the Sherman Building, and contains three billiard, one pool, and two bagatelle tables. There is no charge for these games and the tables are reported in constant use. Facilities for cards and other sedentary games are reported ample, each of the five amusement rooms containing tables. The rooms are inspected daily by a commissioned officer. The band is maintained during the entire year with an average membership of 14, all of whom are members of the Home. Its cost for the past year has been $1,925.04 for pay of the musicians, and $95.97 for instruments, and 155 concerts were given. The library contains 6,074 volumes; and 32 papers and 17 periodicals are subscribed for.

There are three societies among the members, viz: Henry Wilson Post, G. A. R.; Gen. William F. Barry Garrison, R. A. N. U.; and Soldiers' Home Temperance Union, with a membership of 120, 46, and 130, respectively. Divine services are held every Sunday by each chaplain in the Home chapel, which has a capacity of 250. There are three chaplains, a Catholic, an Episcopalian, and a Lutheran, who are paid $50 per month each, except the first named, who receives $15 additional for organist and choir. They do not live at the Home. In addition to their Sunday services they officiate at funerals and minister to the sick.

There are five barracks at the Home, known as the Scott, Sherman, Sheridan, Anderson, and King buildings. The two first named are of stone, and the last three of brick. The Anderson, which is stuccoed and is the smallest of the five, was not originally constructed for barrack purposes, and is used principally for the band. There is room in these buildings for 710 beds; they contain 652. There are basements in all, which are used as amusement and smoking rooms, barber, tailor, upholsterer, and shoemaker shops, museum, reading and bath rooms, and storerooms, and a few have bunks in them.

The annual expenses, exclusive of permanent improvements, have been reduced to $146,415.82, of which nearly $81,000 was met from the interest paid by the United States on the amount of the permanent fund[1] on deposit with the United States Treasurer, and the remainder from the principal of that fund and some small incidental receipts.

The average daily number of members on outdoor relief during the year 1896 was 318.58. These beneficiaries received $26,471.06, or an

[1] On June 30, 1896, the permanent fund amounted to $2,711,124.52. The per capita expense was $171.71.

average of $83.09 each for the year. The maximum amount paid was $96 and the minimum $24. The system of outdoor relief at this Home gives general satisfaction and the expense is less than half the cost of maintaining these beneficiaries at the Home. Combining these with those constantly present at the home, a daily average of 1,006.58 members were cared for at an annual cost of maintenance per capita of $143.66. On September 30, 1896, 76 of the 85 beds in the hospital were occupied by patients, which is a decrease of 5 from the number reported a year previous. The average number of daily sick during the year has been 77.18 in hospital and 6.44 at sick call. The total number of patients treated was 2,775, and the average number of days each case was treated was 66.94 days in hospital and one day at sick call. There were 341 patients admitted to the hospital during the year and 137 discharged as cured. The number of deaths during the year was 67, against 55 the previous year, and the death rate per 1,000 present and absent was increased from 52 to 62.73. Forty-two members died in hospital, 5 in other places on the reservation, and 20 outside of the reservation. The causes of death were: Natural, 45; suicide, 2; result of accident, 1, and unknown, 19. The average age at death was 64.63 years. Deceased members are buried in the Home uniform in a coffin made at the Home shops at a cost of $6.12. The funeral is reported to cost $6.42. Fifty-three members and 12 ex-members were buried at the neighboring national cemetery during the year. An allowance of $25 is made for funeral expenses of members buried away from the Home.

Hygienic conditions seem excellent and the sick are well cared for, $3,017.88 being expended during the year for extra diet of the sick. The average daily cost of the hospital ration, including special diet, per man, is reported as $0.198. The insane are quartered in two small, barred isolation rooms when necessary, and in the general hospital quarters. When they can not be properly cared for there, they are sent to the Government asylum, St. Elizabeth's. The average annual number of insane is about 25, and between three and four have been sent annually to the asylum for the past five years. The blind members are quartered on the first floor of the Scott buildings, and seem to receive all the assistance they need. Three are totally blind and 23 have impaired eyesight, so as to be unable to read. One man is employed to read daily to them. The hospital employees number 29 members and 3 civilians, who received a total compensation during the year of $6,417.76, or an average of $200.59 each.[1]

IV.

A small naval hospital or infirmary for the accommodation of the marines stationed at the Washington Navy-Yard was maintained from the time of the removal of the seat of government to the District of

[1] Report of Gen. J. C. Breckinridge, inspector-general, H. R. Doc. 2, Fifty-fourth Congress, second session, p. 641.

Columbia in 1800. Subsequently the Navy Department came into the possession of the property known as square 948, bounded by Pennsylvania avenue and E street south and Ninth and Tenth streets east, as the assets of a defaulter. The small frame house on the property was used as a hospital until October 1, 1866, when the present building was opened for patients on the lands described above. The new building of brick, 90 feet long, 44 feet wide, and four stories high, with a capacity to accommodate from 80 to 100 patients was constructed with all the improvements in ventilation, heating, and sewerage then known to sanitary science.[1] The first appropriation for the new hospital was made March 14, 1864, and the total cost of the building was $97,929.58.[2]

The records of the hospital for the five years 1891 to 1895, inclusive, show 36 admissions of officers, with a total of 1,265 sick days; other admissions, sailors and marines, number 528. Patients are received at this hospital chiefly from the navy-yard and marine headquarters, but from time to time they are transferred there from other hospitals, from coast survey vessels, and from other vessels, foreign or belonging to our own Navy, which may be in port; also old sailors and marines on the retired list who have no suitable home and when taken ill find a refuge here. The officers attached to the navy-yard and marine headquarters number about 50, while the number of sailors and marines is about 240. Besides the above, there are in and about Washington 250 or more officers, active and retired, liable to need hospital accommodations and treatment.

The situation of the hospital is excellent, occupying an entire square of land on four streets, having thus abundant sunlight and fresh air. The elevation above the navy-yard is inconsiderable, but sufficient to make a very great change perceptible in the condition of malarial patients transferred. The mere change from the one place to the other has sometimes sufficed to put a stop to an attack of malarial fever. There is but one separate room in which a sick officer can be isolated. In the opinion of the Surgeon-General of the Navy additional accommodations should be provided, so that the whole of the two principal floors could be allotted to patients, the lower or main floor to officers, and the second floor to the enlisted men. The medical officers on duty should be lodged in an annex, which could be easily built within the present grounds and in connection with the hospital proper, and an appropriation with this object in view should be submitted at an early date.[3]

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[1] Toner's Medical Register of the District of Columbia, 1867.

[2] Senate Ex. Doc. No. 84, Fifty-fourth Congress, second session, p. 75.

[3] Report of Surg. Gen. J. R. Tryon, U. S. N., H. R. Doc. 3, Fifty-fourth Congress, second session, p. 568.

THE PROVIDENCE HOSPITAL

CHAPTER V.

GENERAL HOSPITALS.

THE early struggles of the physicians of the District of Columbia to secure the establishment of a general hospital, and their partial success with the Washington Infirmary, have been related. When the exigencies of war times compelled the Government to reclaim its property for use as a military hospital the District of Columbia was left with only such hospital facilities as its citizens might be able to secure in competition with the sick and wounded soldiers who were crowding churches, hotels, schoolhouses, and even private residences.

As has been related the Sisters of Mercy managed the domestic concerns of the Washington Infirmary for the medical faculty of Columbian College, and therefore it was but natural that when a continuation of the hospital work was considered the aid of a sisterhood should be invoked. This was made the more natural from the fact that the prime mover in the measures that led to the establishment of the new hospital was Dr. J. M. Toner, who was at the time physician to St. Vincent's Orphan Asylum.[1]

On June 10, 1861, the Sisters of Charity from the Emmetsburg, Md., home opened Providence Hospital in a rented house, formerly the residence of Major Nicholson, on the corner of Second and E streets, Capitol Hill. The building was fairly well adapted to the needs of the modest institution. Being situated in the middle of a square it had plenty of light and air, and but few changes were needed to adapt it to hospital purposes.[2] The first incorporation was under the general act of the District, but in 1864 Congress granted a charter.[3] Although established for the use of the indigent sick of the District of Columbia, the hospital was used largely by the Government for the treatment of soldiers, and doubtless it was because of this fact that the first announcement that the hospital was open to the public was not made until 1866.

[1] Toner's Anniversary Oration. Dr. Johnston Helen also was one of the most active promoters of the new hospital.

[2] Toner's Medical Register of the District of Columbia, 1867.

[3] Senate Doc. 185, Fifty-fifth Congress, first session, p. 373.

The full announcement is given in Toner's Anniversary Oration as follows:

WASHINGTON PROVIDENCE HOSPITAL.

[Second street east, Capitol Hill, Washington, D. C.]

This institution, which is under the control and direction of the Sisters of Charity, is now open to the public.

All persons suffering from casualties or noncontagious diseases will be admitted.

The buildings are spacious and, with the alterations recently made, well adapted to hospital purposes.

The location is elevated and salubrious, the grounds are extensive and well shaded, affording ample facilities for air and exercise.

Providence Hospital is admirably suited to patients wishing to avail themselves of the advantages of a hospital and yet enjoy the comforts and quiet of home.

TERMS PER WEEK.

Private rooms, from $7 to $10, according to the nature of the disease and the attendance required.

General wards, $4.

Dr. J. M. Toner is the attending physician and surgeon of the house, but all the physicians in the District will have an equality of privilege in the institution; consequently any physician who may send a patient to the hospital can attend the same, if he wishes to do so.

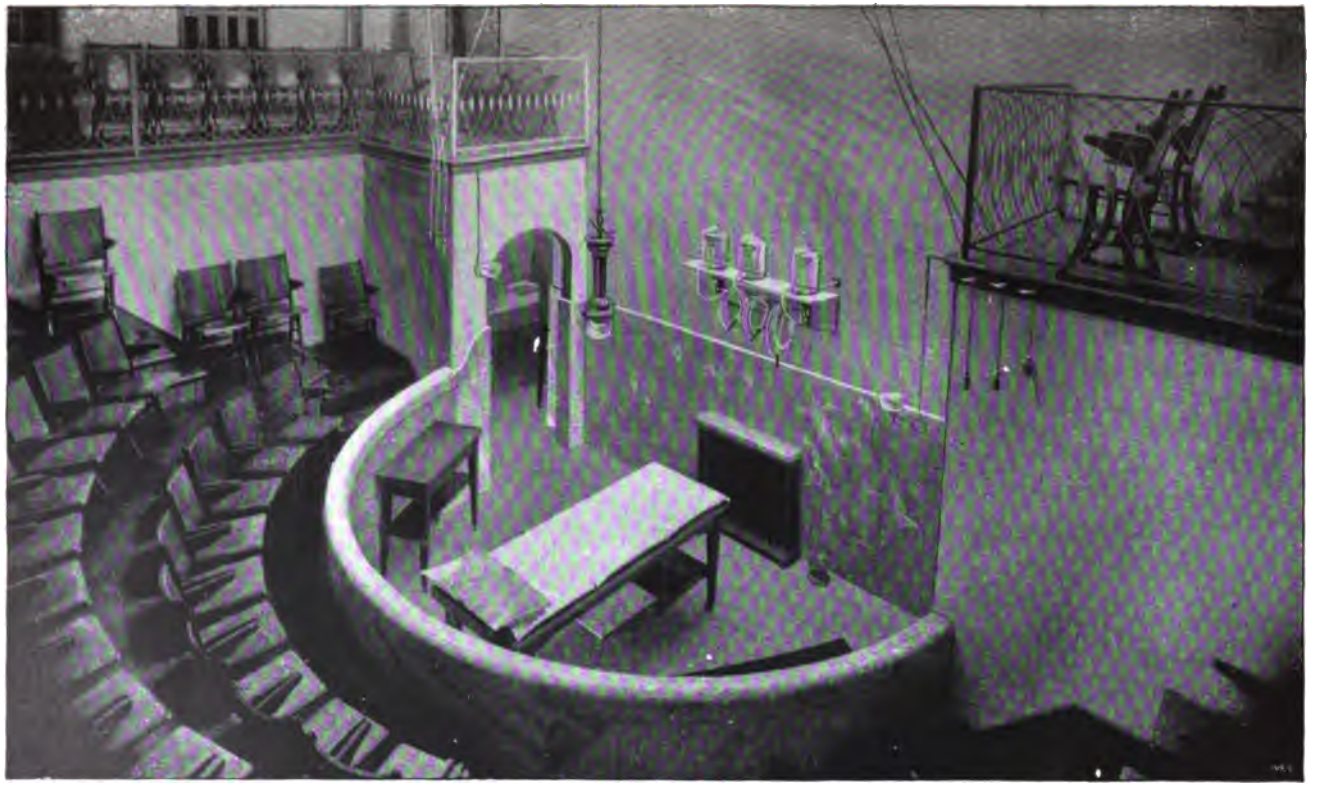
Application can be made at the hospital or to Dr. J. M. Toner.

In Congress the hospital early found a powerful and persistent friend in the Hon. Thaddeus Stevens, of Pennsylvania, and afterwards Hon. Samuel J. Randall and Hon. James A. Garfield were numbered conspicuously among its supporters.[1] The appropriation of $6,000 a year "for the support, care, and medical treatment of 40 transient paupers, medical and surgical patients, in some proper medical institution in the city of Washington, to be selected by the Commissioner of Public Buildings," was the main financial dependence of the new hospital.

This appropriation was continued for three years, but failed in 1865, only to be doubled in the act of April 7, 1866.[2] The act of July 28, 1866, made a second appropriation of $12,000 and increased the number of patients to be treated from 40 to 60. The same act appropriated $30,000 for the purpose of aiding in the erection of an additional building to the Providence Hospital, and provided that in case the property should ever be sold or diverted from hospital uses as expressed in the charter, then the sum of $30,000 shall first be paid out of the proceeds into the United States Treasury to reimburse the sum appropriated. Two years later a further appropriation of $30,000 was made for the completion of the hospital; and it was provided that "all expenditures under appropriations of Congress shall be made under the direction and control of the Surgeon-General of the Army, whose duty it shall be to report at the December session of every Congress a full and complete statement of all expenses incurred under and by virtue of appropria-

[1] Annual Report of Providence Hospital, 1896.

[2] Senate Ex. Doc. No. 84, Forty-fifth Congress, second session, p. 119.



THE PROVIDENCE HOSPITAL—OPERATING ROOM.

THE PROVIDENCE HOSPITAL—PUBLIC WARD.

tions made by Congress."[1] In 1869 the annual appropriation was cut down to $6,000; but the next year Congress appropriated another $6,000 "to enable the Surgeon-General of the Army to pay the balance due under contract executed by him with the Providence Hospital for the care, support, and medical treatment of 60 transient paupers."[2] In 1873 the appropriation was increased to $15,000, and the number of free patients was raised to 75; and in 1890 the sum was further increased to $19,000, and the number of patients to 95.

The new building, for which Congress appropriated in all $60,000, is located on the southeast corner of second and D streets southeast, the site of the original hospital. Facing a large reservation, and standing high above the surrounding streets, the windows command fine views of the Potomac and its banks from Georgetown to Alexandria. With no further appropriations than those mentioned the hospital lands now comprise 89,882 square feet, valued at $39,137—an extremely conservative estimate—and buildings valued at $100,000. The building is heated by steam, and the average air space to each patient is 896 cubic feet, exclusive of the halls. There is an operating room in a semi-detached building especially constructed to meet the requirements of surgical work, and one of the sisters devotes her entire time to the care of the room and the preparation of surgical dressings. The room has seats for 150 students, who may present themselves for the clinical instruction offered by members of the staff. There is also a newly built bacteriological and pathological laboratory fully equipped. The bacteriological department is in charge of Dr. E. M. Parker, and the pathologist is Dr. W. M. Gray of the Army Medical Museum, who investigates and reports on the pathological material turned over to him by the surgeons. A training school for the nurses and sisters employed in the hospital is also maintained.

Since 1870 the Providence Hospital has been in charge of Sister Beatrice, the title being in the Sisters of Charity of Emmitsburg, Md. A board of visitors, consisting of four citizens of the District,[3] makes a general report each year as to the condition in which they find the institution, and a sanitary committee appointed by the medical board also makes an annual inspection. The first medical staff was made up of Drs. D. R. Hagner, John C. Riley, and William Marbury, physicians; and Drs. J. F. Thompson, C. M. Ford, and N. S. Lincoln, surgeons; with Drs. Grafton Tyler and W. P. Johnson, consulting. Dr. J. M. Toner was the attending physician and the surgeon of the house.

In his plan Dr. Toner very wisely arranged that any physician in the District who might send a patient to the hospital could attend the case if he should desire so to do. Again the authorities showed their

[1] Act of July 27, 1868.

[2] Act of April 20, 1870.

[3] The board of visitors now consists of Hon. Matthew G. Emery, A. S. Solomons, Thomas Somerville, and Hon L. G. Hine.

wisdom in conciliating the medical profession by providing that the medical and surgical staff should visit and prescribe for patients in private rooms as well as those in the public wards; but such patients were required to pay the usual fees to the attending physicians and surgeons. The cost per week in the wards of the hospital was fixed at $6, with an extra charge for a private room. The prices now range from $7 to $20 a week, according to the accommodations.

To the free public wards patients are admitted on the order of the Surgeon-General of the Army. In the report for 1896 the statement is made that while the appropriation the hospital receives is limited and provides only for the nonresident sick, yet by receipts of money from private wards a large charity fund is created for the sick poor of the District. No cases are refused admission except those of insanity or diseases of a contagious nature, thus fulfilling the requirements of a general hospital. While nominally the Surgeon-General of the Army admits public patients, they are really admitted on certificate from the sanitary officer of the District of Columbia.[1]

The hospital was well patronized from the beginning, and in 1896 the receipts from pay patients were $31,844.88. The sum of $149.50 was received from the Marine-Hospital Service for the care of merchant sailors, who are treated by medical officers of that service. The hospital cares for between 2,200 and 2,300 cases a year, and is resorted to by persons in every walk of life. During the past year 351 laborers, 230 domestics, 225 clerks, 128 housekeepers, 100 old soldiers, 42 students, 12 physicians, 27 lawyers, 16 merchants, 5 journalists, 12 actors, and 2 Congressmen were among the persons treated; in all 120 occupations were represented. The largest number, 251, had no occupation. As to nativity, 56 States, Territories, and countries contributed to the total, the District of Columbia leading, with 605; then Maryland, 328; Virginia, 318; New York, 182; Pennsylvania, 126.

The present medical board is made up of 24 physicians of recognized standing, the special departments, such as gynecology, laryngology, and the eye and ear, are in charge of specialists.[2]

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[1] See testimony of Surgeon-General Sternberg, Sister Beatrice, and Sanitary Officer Frank before the Joint Select Committee on the Charities and Reformatory Institutions of the District of Columbia. Senate Doc. No. 185, Fifty-fifth Congress, first session, p. 242.

[2] The staff at present is as follows: *Consulting board:* Drs. S. A. H. McKim, N. S. Lincoln, J. W. Bulkley, J. T. Young, G. L. Magruder, Z. T. Sowers, Robert Reyburn, W. H. Hawkes, H. M. Newman, Walter Wyman, George M. Sternberg. *Surgical staff:* Drs. J. W. Bayne, T. F. Mallan, Harrison Crook, James Kerr. *Medical staff:* Drs. C. V. N. Callan, M. F. Cuthbert, Thomas N. Vincent, C. R. Luce. *Gynecologist:* Dr. J. Wesley Bovee. *Diseases of the throat and ear:* Dr. C. W. Richardson. *Ophthalmic surgeon:* Dr. Swan M. Burnett. *Bacteriologist:* Dr. E. M. Parker. *Pathologist:* Dr. W. M. Gray. *Resident physician:* Dr. Jesse Ramsburgh. *Externe:* Dr. Charles C. Marbury. *Dentist:* A. J. Brown, D. D. S.

THE PROVIDENCE HOSPITAL—PRIVATE ROOM.

PROVIDENCE HOSPITAL CORRIDOR

II.

The medical profession of Washington have ever had in mind the establishment of a general hospital in which the treatment should be entirely free and to which admission should be confined to the deserving poor. In May, 1874, Drs. L. W. Richie and C. H. A. Kleinschmidt, together with several of their professional brethren and a number of private citizens, organized the General Hospital of the District of Columbia, Georgetown, an institution that continued in active operation until lack of support compelled it to close its doors in March, 1876. The next year Dr. Francis A. Ashford was the leader in a movement that sought to change the management of the almshouse hospital and on that foundation build such a hospital as the profession so earnestly desired.

The situation, as it then appeared to the majority of the physicians of Washington, was briefly as follows: In the District of Columbia, and especially in Washington, a large floating population was domiciled in hotels, boarding houses, and apartments, in which the sick could not secure the ordinary comforts of a sick chamber, a suitable dietary, efficient nursing, and adequate medical attention. These necessaries could be supplied only by a general hospital which should offer, at a reasonable cost, suitable apartments, skilled nursing, proper food, and the choice of treatment by the regular medical staff or by a legally qualified physician of the patient's own selection, together with all the advantages of an ample and properly equipped pharmacy, necessary laboratories, appliances, and hygienic care.

In reviewing the existing facilities of the city the doctors asserted that there was no institution which fulfilled the foregoing requirements. The Columbia Hospital afforded accommodations to females suffering from the diseases peculiar to women. It was governed by a board of directors under the provisions of a charter granted by Congress, and was supported in part from the District revenues and in part from funds derived from pay patients. The Children's Hospital was devoted exclusively to the medical and surgical treatment of children, and was owned and governed by a corporate body organized under the general incorporation law. The Freedmen's Hospital was in part an asylum, but mainly a hospital for the sick of the African race; it was owned by the Howard University corporation, and was supported by the Government. The almshouse hospital, owned, governed, and supported by the District government, afforded accommodations, in a badly constructed and improperly located building, for about 150 patients. There the vicious, criminal, vagrant, and a few deserving paupers were promiscuously commingled as one class. The Providence Hospital was owned and governed by the Sisters of Charity. It was built out of moneys appropriated by Congress. It was supported by its own revenue, a part of which was derived under contract from an annual appropriation by

Congress for the maintenance of sick transient paupers. The public patients were admitted by order of the Surgeon-General; and even in the estimation of its managers, in order to fit it for a general hospital, at least $25,000 expense would be necessary.

While of all the existing institutions the Providence Hospital approached nearest the character of a general hospital, yet its confessed lack of advantages, the fact that it was a pay hospital, and the conditions of entrance led the medical profession to aver that there was no hospital in the District into which a deserving poor white man or woman (unless she is afflicted with some disease peculiar to her sex) can find accommodations except upon payment of a weekly board or submit to conditions which should not be imposed on that class. This was true notwithstanding the fact that $70,000 of public money annually went to the support of hospitals exclusive of the almshouse hospital. Moreover, the hospital accommodations were inadequate to the wants of the community.[1]

To Dr. Ashford and his numerously signed memorial the municipal authorities gave no heed; and the zealous promoter of a general hospital gave up the idea of converting the almshouse asylum into the institution so much desired. At this juncture the assassination of President Garfield stirred the sympathies of the civilized world to such an extent that various plans of expression were put forward. In Washington a society was organized to procure and erect the statue that stands on the west front of the Capitol Grounds. The modest church in which he and his family had worshiped for many years gave place to the Garfield Memorial Church, one of the most expensive church edifices in the city. To many it seemed most appropriate that the President's long and patient suffering from the wounds that caused his death should be commemorated by a hospital which, though located in Washington, should possess a national character.[2]

The original suggestion of a memorial hospital was made by Mr. Lewis J. Davis in the Evening Star. Mr. Davis proposed a hospital at the Baltimore and Potomac Railroad station, where the assassination occurred, but in the Star of August 3, 1881, Mr. A. S. Solomons advocated the establishment of a general hospital to be known as the Garfield Memorial Hospital, and "designed to be as wide in its scope of benevolence as was the kindly heart of the martyred President in its outstretch and human sympathies." Mr. Solomons outlined a plan of obtaining subscriptions and easily convinced Dr. Ashford that the opportunity had now come to realize his project of a public general hospital that should be nonsectarian and wherein the medical and surgical practitioners of the District could have free access at all times.

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[1] Memorial signed by 85 physicians and dated at Garfield Memorial Hospital, June 1882. This is nearly identical in language with the statement prepared by Dr. Busey in 1885.—*Dr. C. S. Busey's Personal Reminiscences*, p. 222.

The memorial is given on pages 228 and 229; and also in the report of Garfield Hospital for 1883, and the Toner MSS. in the Library of Congress.

[2] Garfield Memorial Hospital Inaugural Address by Mr. Justice Miller.

A call for a public meeting, signed by many physicians and by prominent citizens, resulted in a large gathering at Lincoln Hall on the evening of October 5, 1881. At the request of Mr. Solomons and Dr. Ashford, Mr. Justice Miller presided and eventually became the first president of the new corporation.[1] Mr. Solomons, the chairman of the committee on resolutions, reported the following preamble and resolutions, which were unanimously adopted:

Whereas the whole civilized world has been shocked and moved to tears by the untimely death of the late President of the United States, and will, we believe, unite with us in testifying its admiration of the man for his unsullied virtues, eminent statesmanship, unflinching courage, and for his patient endurance and steadfast hope during his painful illness; and

Whereas it is desirable to perpetuate his cherished memory in a manner consistent with his constant practice of "doing good unto others" in the most direct and practical way; and

Whereas during his life he always manifested the greatest interest in all charitable institutions, and at the close of his Congressional career expressed a great desire to see established in Washington a general hospital and promised to aid such enterprise to the full extent of his ability: Therefore be it

Resolved, That the citizens of the United States and loving sympathetic friends everywhere will doubtless consider it a privilege as well as a duty to their departed brother, James Abraham Garfield, to erect to his memory a free general hospital, to be national in character and conducted on the broadest basis of common humanity, and that this monument of the people's esteem and gratitude be known as the Garfield Memorial Hospital and located in the District of Columbia, where he was so ruthlessly stricken down in the discharge of his public duties; and with a view of promoting this object it is

Resolved, That Mr. Justice Miller, of the Supreme Court of the United States, the chairman of this public assemblage, held in the city of Washington on the 5th day of October, 1881, do appoint an executive committee of twenty-five persons, with full power and privilege to fill vacancies, to take such action as will consummate to the fullest extent the object herein set forth.

In supporting these resolutions, Mr. Solomons adverted to the fact that the assassination of President Garfield occurred on the Hebrew Sabbath, and that when the idea of a memorial hospital was suggested two small and poor Hebrew congregations voted from their church funds $50 and $25, respectively; and that the St. George Society of the District sent $25. These were the first subscriptions.[1]

The committee of twenty-five had for its chairman Gen. William T. Sherman, the other members being James G. Blaine, William Windom, Gen. D. G. Swaim, James Gilfillan, A. S. Solomons, James H. Saville, Arthur McArthur, John W. Thompson, Lewis J. Davis, Henry A. Willard, Reginald Fendall, E. Francis Riggs, W. G. Metzerott, H. M. Hutchinson, John A. Baker, Benjamin G. Lovejoy, Henry Wise Garnett, Josiah Dent, Dr. J. M. Toner, Dr. Smith Townsend, Dr. F. A. Ashford, Dr. S. C. Busey, Dr. J. Ford Thompson, and Dr. W. G. Palmer. This committee sent out the following appeal, which had been prepared by Hon. James G. Blaine:

The citizens of Washington and the officials having residences here have united in a movement to do marked and enduring honor to the name of the late President, whose great life was so sadly and so tragically ended.

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[1] Dr. Busey's Reminiscences, p. 223. [2] Dr. Busey's Reminiscences, p. 224.

His reputation as a statesman, legislator, and Executive was acquired in this capital. Beyond his claim to admiration and gratitude, he was personally beloved by all classes of citizens in a degree that rarely falls to the lot of any public man. Reflecting his own wishes, as far as they may be inferred from his career and his character, the memorial designed is that of a national hospital, to be located in the District of Columbia, to be known forever by his name. It will be a provision for the relief of human suffering, from the cup of which he drank the bitterest dregs; and in the breadth of its human charity it will fitly typify the noble nature and exalted aims of the hero and martyr.

The hospital is designed to be as wide in its scope of beneficence as was the kindly heart of the dead President in its outstretch of human sympathies. It will be open to those needing its aid and ministrations, without regard to class, caste, creed, or color; to be a sufferer in need of help will be the only passport required to enter its door and secure its aid. Such an institution, founded in the cause of charity and bearing the name of Garfield, appeals to the generosity of everyone, and to everyone the appeal is made. Contributions, small and great, are solicited, and may be safely remitted to Hon. James Gilfillan, Treasurer of the United States, who has consented to act as treasurer of the fund. He gives twice who gives quickly. Let the response be prompt, generous, and universal.

W. T. SHERMAN, *Chairman.*
JOHN A. BAKER, *Secretary.*

The circulation of this appeal in foreign countries was promoted by the following unofficial letter from the Department of State dated May 12, 1882, and addressed to the diplomatic and consular officers of the United States:

[Unofficial.]

DEPARTMENT OF STATE,
Washington, April 12, 1882.

To the Diplomatic and Consular Officers of the United States of America.

GENTLEMEN: I transmit herewith copies of an appeal which has been issued for the purpose of inviting contributions to aid in the erection of a national hospital at this capital as an appropriate memorial of the high appreciation entertained by mankind of the valuable public services and exalted character of the late President Garfield, as well as of the detestation and horror felt by the world for the crime by which his life was destroyed.

It is thought that the proposed memorial can not but commend itself to the attention not only of Americans temporarily abroad, but of all persons, of whatever nationality, who abhor assassination and wish to show their respect for the cause of law and order.

I will therefore thank you to avail yourself of suitable means of giving public information of the proposed plan of honoring the memory of our late President. You will also make known the fact that you are authorized to receive and forward contributions for the object in question.

I sign this circular unofficially, by no means intending that it shall impose any obligation upon the diplomatic and consular officers to whom it is addressed. It is designed simply to bring the matter before them in an intelligible shape, and thus enable them to answer inquiries as to the objects of the proposed hospital.

I am, gentlemen, your obedient servant,

FRED'K T. FRELINGHUYSEN.

The response made to the appeal was more generous from foreigners than it was from the people of this country. Both the royalty and the peasantry of Europe made contributions to honor the memory of one

whose taking off brought forth a very widespread sympathy from foreign peoples.[1]

The Medical Society of the District of Columbia, of which Dr. Ashford was president, gave their aid to the project by these resolutions:

Whereas the medical profession of this District have long felt the need of a general hospital, and in a very largely attended meeting before the late civil war, had, with great unanimity, formed a project for the establishment of such a hospital, the movements for which were unfortunately interrupted and rendered abortive by that unhappy event; and

Whereas, the necessities for such an institution in our midst are unquestionable, and have since that time not diminished but increased more than sevenfold: Therefore

Resolved, That this society has learned with great pleasure that certain patriotic and benevolent ladies and gentlemen are now earnestly cooperating in the endeavor to procure the establishment of a general hospital to be known as the Garfield Memorial Hospital.

Resolved, That no more appropriate method of honoring the memory of our late brutally murdered President can be conceived of than the erection of such a monument, an ever-active institution for the relief of humanity, suffering in so many various forms; a source for the acquirement and development of knowledge in those branches of scientific study most nearly directed to the immediate relief of man, and an everlasting and inexhaustible wellspring of charity and benevolence, which, in the minds of all men of right feeling, must be esteemed far above tablets of brass or mere monuments of bronze or marble.

Resolved, That this society desires to assure all concerned that the proposed measure meets with its entire approbation, to express the extreme interest which it feels in the success of so grand a benevolence, and to offer its cordial cooperation in efforts to obtain so desirable an object.

F. A. ASHFORD, M. D., *President*.
T. E. MCARDLE, *Secretary*.

On May 18, 1882, the hospital was incorporated under the laws of the District, and it was provided that for the first year the affairs and funds should be managed by a board of directors consisting of the 37 signers of the certificate. On the 27th of May the certificate was recorded, and on June 6 the first meeting of the directors was held. These directors managed the affairs of the corporation until May 31, 1883. One of their first steps was to send a message to the wives and daughters of the Senators and Representatives, saying that "to insure a complete success to the undertaking the warm hearts, the magnetic enthusiasm, the unbounded resources, and the untiring devotion of the women of the country are needed." The response was prompt. About 150 ladies met in the parlor of the Ebbitt House on March 22, 1882, and organized the Ladies' Aid to the Hospital, for the purpose of raising money in the several States. In spite of many discouragements and in spite, too, of widely-circulated rumors that the hospital project had been given up, the ladies were able to contribute $5,000 toward the purchase of the site for the hospital and to carry a fair balance to its fund for future work.[2]

[1] Second report of the board of directors of Garfield Hospital, p. 11.

[2] Reports of (Mrs.) Eliza N. Blair, corresponding secretary; (Miss) M. G. Frelinghuysen, recording secretary; and (Mrs.) Miranda Tullock, treasurer.

The board of directors issued on March 1, 1883, the first report of the president of Garfield Memorial Hospital, which showed that the total receipts from all sources had been $17,023.36; that there were in process of collection $2,300 in foreign bills, and that (including $5,520.27 raised by the Ladies' Aid Society) the amount available was $23,901.07. The report also mentioned the receipt from the trustees of the Soldiers' and Sailors' Orphans' Home of the property known as the "Wirt House." This transfer, probably suggested by Dr. Ashford, was the real foundation of the Garfield Memorial Hospital. Its value was double the amount of the subscriptions made during the first year, and, what was more important, the passage of the enabling act by Congress brought out the latent opposition to the hospital and enabled its promoters to win such a substantial victory as to give the project a recognized standing before both Congress and the public.[1]

On July 10, 1882, Mr. Neal, chairman of the House Committee on the District of Columbia, reported from that committee the bill to authorize the transfer of the property of the National Soldiers' and Sailors' Orphans' Home to the Garfield Memorial Hospital, and asked for immediate consideration.[2] In support of this measure Mr. Neal had the resolutions of the medical society and a memorial signed by 85 physcians, setting forth the necessity of such a hospital, and he had also the sentiment created on behalf of a memorial hospital. The opponents of the measure, headed by Mr. Blount, produced a counter memorial, signed by 26 physicians of standing and reputation, in which it was alleged that the sick poor of the District of all classes, creeds, and nationalities were amply provided with gratuitous hospital accommodations, and that the floating population was provided for in existing hospitals at a reasonable cost. The protest continues:

The Columbia Hospital for women provides all that is necessary for the treatment of special diseases of female pay or pauper patients. The Children's Hospital is an institution exclusively devoted to the medical and surgical treatment of children, and provides all needed accommodations for such patients. St. Ann's Infancy Asylum accommodates all destitute infants left to its care. The Freedmen's Hospital is "mainly a hospital for the sick of the African race, but is open to white patients, and is satisfactorily fulfilling its mission." The almshouse hospital accommodates a class that drifts into such institutions. The Emergency Hospital, located near the center of the city, is prepared to attend accidents and emergencies.

[1] Dr. Busey, in his Reminiscences, page 226, says: "I can not assert it as a fact, but my recollection and belief are that Dr. Ashford was the first to suggest the acquisition of the property of the Soldiers' and Sailors' Orphans Home. I do know that he held numerous interviews with some of the trustees, especially with the Rev. Dr. Sunderland and Chief Justice Cartter and with Mr. Neal, the chairman of the House of Representatives Committee on the District of Columbia, in regard to the transfer of the property. I was present at several of the interviews with Judge Cartter and can testify that he accepted the proposition with marked enthusiasm and gave to it his earnest support. Judge Cartter's opinion in regard to the necessity of the passage of the enabling act and his advocacy of the transfer constituted the turning point in the success of the scheme."

[2] H. R. 6702, Forty-seventh Congress, first session.

THE GARFIELD MEMORIAL HOSPITAL.

Providence Hospital, under the charge of the Sisters of Charity, has public wards, to which free patients are admitted, and private wards and rooms for pay patients at rates varying from $6 to $20 per week. It receives an appropriation from Congress for the maintenance of transient sick paupers admitted upon the order of the Surgeon-General of the United States Army. Resident paupers are admitted at the request of the sanitary officer, Metropolitan police, a request that is never refused.

It is thus seen that Providence Hospital cares for all the sick poor, transient and resident, who apply for treatment, "and there is no distinction made on account of creed, nationality, or color." The above statement and the additional fact that the capacity of the hospitals heretofore mentioned has always exceeded the demand must make it plain to the observant that the hospitals of the District of Columbia more than meet all present requirements, and that while separately performing their allotted duties the combined work of these institutions creates a general hospital in its best form, a condition of separation which accords with the approved laws of hygiene.

Should the future demand increased accommodations, it will be wiser by donations and appropriations to enlarge the powers of existing organized institutions than by too ambitious and hasty action run the risk of creating a standing bid for pauperism, for it is to be feared that a superabundance of hospitals here might entice a class not desired by our citizens or legislature.[1]

Dr. Busey says that "this protest had been prepared with great care and had been concealed from the public and the management of the Garfield Hospital until it was suddenly thrust into the debate on the bill in the House, just at the moment when its most vindictive opponent believed it would defeat the enabling act. It set forth in very emphatic and cogent language the interests of 'the Providence Hospital,' and equally distinctly, but erroneously, intimated that the efforts to establish Garfield Hospital were in antagonism to that institution. It sought to eliminate the influence of the medical society and of the 85 physicians by misrepresenting their memorial, and attempted by adroit extracts of parts of sentences to assail the veracity of the 85 memorialists. To it were signed the names of 26 physicians, most of whom were actively engaged in practice, and several were men of prominence and very great influence."[2]

The protest was ineffective. The bill passed both Houses of Congress and became a law on August 8, 1882. On October 2 of that year D. K. Cartter, president, and Marcellus Bailey, secretary, acting under instructions from the board of trustees of the National Soldiers' and Sailors' Orphans' Home, joined in a deed conveying to Garfield Memorial Hospital all the property of the Orphans' Home, with the power "to sell, convey, transfer, and convert the said property, or any part thereof, into cash at its option."[3] Thereupon the board of incorpora-

[1] This protest was signed by the following physicians: Johnson Eliot, James E. Morgan, S. A. H. McKim, Ralph Walsh, G. L. Magruder, Z. T. Sowers, John W. Bayne, H. H. Barker, Llewellyn Eliot, L. W. Richie, W. G. H. Newman, J. F. Hartigan, J. Walter, Carroll Morgan, James McV. Mackall, Daniel J. Kelly, Thomas N. McLaughlin, James T. Young, John I. Dyer, J. S. Harrison, C. V. N. Callan, P. J. Murphy, H. M. Newman, George C. Samson, John Parsons, and J. O. Stanton.

[2] Reminiscences, p. 234.

[3] The deed was recorded October 5, 1882, liber 1016, folio 195.

tors took possession of the "Wirt House," No. 1732 G street NW., and there held their meetings. The value of the property thus turned over proved to be $39,708.03.[1]

In the plan of organization adopted it was provided that "one ward in the hospital shall be appropriated to the homeopathic treatment for such patients as desire it, and the directors shall provide for that purpose." The medical members of the board who were present stoutly opposed the adoption of this paragraph. Dr. Toner then expressed and soon after carried out his intention to resign. The other medical members protested and waited. The storm created by the action of the board again threatened the defeat of the project. The timely election of Dr. John S. Billings to a place on the board and his leadership in securing a repeal of the controverted paragraph on February 19, 1883, restored to the enterprise that support of the local physicians of the medical society which had temporarily been withdrawn.[2]

The original plan of the hospital provided that of the fifteen directors four should be practitioners of medicine. This paragraph of the by-laws was repealed after the death of Dr. Ashford,[3] and at the present time Dr. John S. Billings, U. S. A., stationed in Philadelphia, is the only physician on the board. On the board of incorporators, however, Dr. Samuel C. Busey, Dr. William W. Johnston, and Dr. J. Ford Thompson, as well as Dr. Billings, have places. The management of the hospital is in the hands of fifteen directors, each of whom is elected to serve for three years. Five directors are elected annually by the board of incorporators, and the directors name the medical staff. The board of incorporators is a self-perpetuating body.

On May 31, 1883, the incorporators elected a board of directors, and active work began. A site comprising 7 acres was purchased for

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[1] Hospital report for 1886.

[2] Dr. Busey's Reminiscences, p. 237. Dr. Busey says: "To Surgeon Billings honor, praise and gratitude are due from the management as from the medical profession of this District. His election to the directorship was the turning point at the critical moment of its history, and stayed the influences leading to discontent, controversy, disappointment, and failure, and restored the institution to the course and purpose fostered by its projectors and founders.

[3] Dr. Francis A. Ashford died May 19, 1883. He was a resident of Virginia when the war of the rebellion broke out, and was in the Confederate army from Ball's Bluff to Petersburg, where he was wounded and captured. After his release from prison at the close of the war he studied medicine with Dr. Thomas Miller. He began practice in 1867, and was immediately appointed resident physician of Columbia Hospital; afterwards he was assistant surgeon and a director of that institution. He was the attending surgeon of the Children's Hospital from its beginning until his death. He was the professor of surgery in Georgetown College. The memorial resolution of the directors of the Garfield Hospital recites: "It is due to the memory of Dr. Ashford to give a sincere expression of our appreciation of his services in the institution of this hospital, and to say that to him more than to any other is due the credit of initiating this undertaking and by his unobtrusive energy of putting it in the path of success." He died before the hospital entered upon its work.—*Dr. Busey's Reminiscences*, pp. 116, 188–189, 238.

37,500, on which the sum of $15,500 was paid in cash, and the title as held by Henry A. Willard under a declaration of trust. The land, ronting on Florida avenue at the head of Tenth street, was occupied y buildings that were utilized for various purposes. To the large welling known as the "Haw Mansion" a wing especially designed for ospital purposes was added, at an expense of $12,000, the work being one according to plans approved by Dr. Billings, a distinguished uthority on hospital construction.[1]

The managers of the Ladies' Aid Association were Mrs. John A. ogan, president; Mrs. Charles Nordhoff, Mrs. Benjamin Harrison, Irs. James B. Ricketts, Mrs. John S. Williams, Mrs. Earl English, ice-presidents; Mrs. Henry W. Blair, corresponding secretary; Mrs. homas L. Tullock, treasurer; Miss E. Callis Smith, assistant treasrer; Miss M. G. Frelinghuysen, recording secretary; Mrs. A. F. Rockill, assistant recording secretary; Mesdames A. J. Bentley, Joseph N. olph, Dorman B. Eaton, William H. Emory, Orange Ferriss, Randall . Gibson, Alexander B. Hagner, John M. Harlan, Joseph R. Hawley, Villiam P. Hepburn, Miss E. B. Johnson, Mesdames Jean Margaret ander, Noah C. McFarland, John F. Miller, Samuel C. Pomeroy, R. B. pringer, Howard White, Henry A. Willard, and James F. Wilson.

The "Haw Mansion" was purchased of Mr. L. H. Schneider, a hardare merchant of Washington.

On Decoration Day, Friday, May 30, 1884, the buildings and grounds f the Garfield Memorial Hospital were dedicated with appropriate eligious and historical exercises, followed by a garden party.[2] The

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[1] The incorporators were *Mr. Justice Miller, president; *B. G. Lovejoy, secreary; John A. Baker, Prof. Alexander Graham Bell, *Dr. John S. Billings, Hon. ames G. Blaine, *Mrs. Eliza N. Blair (the wife of Senator Blair), of Manchester, . H.; Mrs. Mary E. Blair, *Dr. Samuel C. Busey, Mrs. Ida C. Candler, of Brookline, lass.; Mrs. Stella B. Conger (the wife of Senator Conger), *Lewis J. Davis, Josiah ent, James B. Edmonds, Mrs. Matilda W. Emory, *Reginald Fendall, Mrs. Corelia W. Ferris, Dr. A. Y. P. Garnett, Hon. James Gilfillan, New York City; Mrs. arrie S. Harrison (the wife of Senator, afterwards President, Harrison), Mrs. Mary . Irish, *Mrs. Jean Margaret Lander, *Rev. W. A. Leonard, W. G. Metzerott, Dr. V. G. Palmer, *Mrs. Fannie Ricketts, *E. Francis Riggs, *James H. Saville, A. S. olomons, *Gen. D. G. Swaim, *Dr. J. Ford Thompson, John W. Thompson, Dr. mith Townshend, Mrs. Miranda Tullock, *Henry A. Willard, J. Ormond Wilson, Ion. William Windom. The directors are marked with an asterisk (*).

[2] The Washington Capital of June 1, 1884, contained this report of the opening:

THE GARFIELD HOSPITAL.—The dedication of the Garfield Memorial Hospital on riday took place in the hall of the new wing of the hospital building. The exerises were simple and impressive, and were the reading of the twenty-fourth psalm y the Rev. Dr. Butler; repeating the Apostles' Creed by the audience; prayer and eading of the seventh chapter of Luke by the Rev. Dr. Bartlett; hymn, led by Mr. larke, of New York Avenue Presbyterian Church; address by Mr. Justice Miller; inging of "America" by audience; benediction by the Rev. Dr. Sunderland. After he exercises everybody had the opportunity of going over the building, and then he lawn was the center of attraction, where the refreshment tents were well atronized.

The reception committee were the wives of Senators Logan, Blair, Harrison, Dolph,

new institution so auspiciously opened was called on to endure a year of severe trials. The only resource that did not fail was the Woman's Aid Association. The board of directors, in their report of April 20, 1885, acknowledged their indebtedness and proclaimed that of the exec-

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Gibson, Representative Hepburn, Mrs. J. M. Lander, Mrs. Henry A. Willard, Mrs. Dorman B. Eaton, and others.

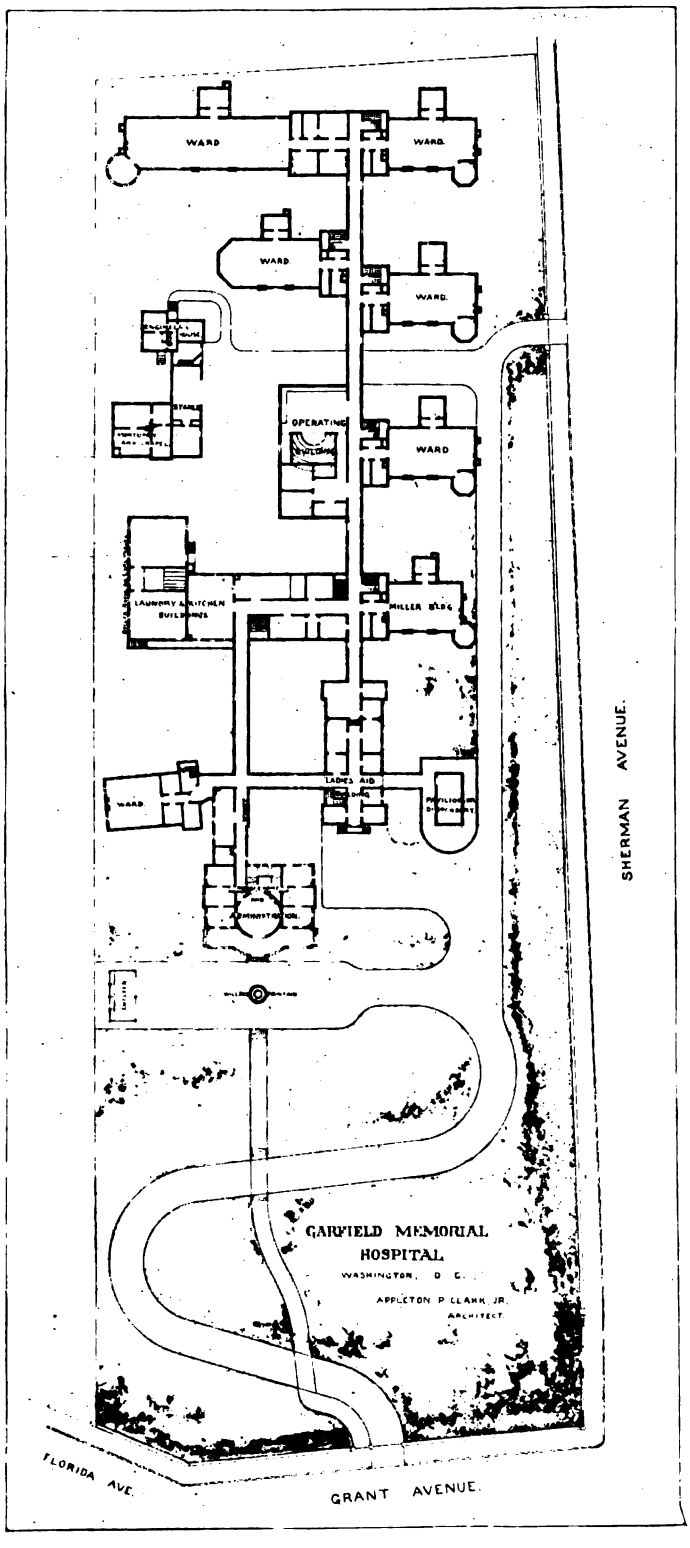
At the supper tent were Mrs. English, Mrs. Ricketts, Mrs. Rockwell, Mrs. Tullock, Mrs. Ferris, Mrs. Frelinghuysen, and several young lady assistants, among them the Misses Stevens, English, Cady, Rickets, Spofford, and Hepburn. The ice cream and lemonade were dispensed by Mrs. Willard, Mrs. Pomeroy, and Miss E. C. Smith.

The confectionery tent was in charge of Mrs. Logan, assisted by Mrs. Skinner and Mrs. Clarke, of New York, the Misses Bergmann, Dolph, Wiltshire, Jennings, Vender, and other ladies. Much of the confectionery was donated by Guenther, of Chicago, and the hand-painted and embroidered satin bonbon bags were very pretty, and, with the fans, found ready sale, though the cool air rendered the fans more ornamental than useful. Two bags were made from pieces of the "Elizabeth dress" worn by Mrs. Lander when playing that part. One was bought by Mrs. Joslyn, of Illinois, and the other by Dr. Sanborn, of Colorado.

Nothing could be more effective than the beautiful grounds, where the lights were placed in the many Chinese lanterns swinging from the trees. Nature made it one of the fairest spots on earth, and the gay-colored lights and music added to the scene. The garden party closed with dancing in the hall of the hospital. It is not too much to say that the Garfield Hospital owes its existence to the women, who, from the beginning, have worked with a faith in its future success with a conscientious belief in the want of such an institution and with the untiring industry which has brought such gratifying results. They have worked together with a zeal and harmony worthy of the cause, and despite all discouragements and many obstacles they have made the hospital an assured reality and a greater tribute to the memory of the late President than any marble or bronze. A number of beds have been given. One memorial bed was given by Mrs. Alexander Graham Bell, with the sum of $1,000. It is named William Schuyler Johnson Bell, and will always bear this name. This sum donated entitled the donor to naming a bed in perpetuity and designating the patient to occupy it, making it a free bed.

The wife of Representative Hitt, of Illinois, gave two beds in the names of their young sons, William and Reynold Hitt. The wife of ex-Senator Pomeroy gave two beds. One was given by Mrs. Theodore Lyman, of Massachusetts, and another is the joint gift of Mrs. Worthington, Miss E. C. Smith, and Lieutenant Harber. Mrs. Freeman, of Washington, gave a bed, and her sister, Miss Coleman, gave part of the entire bed linen for the hospital. The remainder of the bed linen was given by the wife of William Walcott, of the Oneida Mills, New York. Mr. and Mrs. Walcott are the guests of the wife of the Rev. Dr. Bartlett. The silver was given by the Wallingford and Middletown Plate companies, of Connecticut, and is sufficient for the whole hospital.

Every entertainment given to raise funds for the hospital has been singularly successful, and this is the best evidence of the admirable management and sincere efforts of the women engaged in the work. The public have confidence in their ability and sincerity, and respond promptly and willingly to all requests for aid. To those who have been steadfast from the beginning is due the greatest praise. As the pioneers, they met the hardship of prejudice, and, by honesty of purpose, made the way easier for others who have more recently taken an active part in the work. None but honest, capable, earnest women could have done this. So well have they done their whole duty that now there is no drawing back by anyone. It is said that nothing succeeds like success. Of no work can this be more truly said than of the Garfield Memorial Hospital.



GARFIELD MEMORIAL HOSPITAL.

ıtive committee "to this band of noble women, without whose unselfish ınd untiring devotion nothing could have been accomplished." The adies contributed the means and selected and purchased the furniture 'or the old and new buildings, laundry, nurses' and servants' rooms, all o the satisfaction of Surgeon-General Billings.

On June 18 Dr. Harry M. Cutts, of Washington, as resident physi- ıian, and Mrs. M. E. Vanderbilt, formerly matron of the Woman's Iospital of New York City, as matron, received the first patient, a young roman who was a clerk in one of the Departments; and on June 28 Dr. Swan M. Burnett performed the first surgical operation, the patient ıeing a colored man and an ex-soldier. The first death was that of an ıdian temporarily in Washington. In January Dr. Cutts resigned and vas succeeded by Dr. W. M. Sprigg. The number of patients during he first year was 178, of which number 119 were free.[1]

The treasurer, Mr. J. W. Thompson, resigned before the hospital was ›pened; his successor, Mr. Edward Temple, was compelled by ill health and the pressure of other duties to give up the position, and in Janu- ary, 1885, Mr. Samuel W. Curriden was elected to the vacancy. On the 1st of May the directors were called on to face a deficit of $3,000 to tide the hospital over until July 1, when the first appropriation of $7,500 made by Congress toward the payment of the current expenses of the institution would become available. At the same time the directors were in possession of hospital property worth $54,835.82, encumbered with debts to the amount of $32,000. The available assets were securities estimated to be worth $4,500 and the Wirt House property, estimated at $30,000. During the year 1885 the Wirt House was sold to John R. McLean for $26,800, and the securities yielded $7,255.38. With this money the indebtedness was satisfied; and the directors were greatly encouraged, although they had exhausted all their available resources and were confronted with the fact that another building, with accommodations for 25 beds, was made imper- ative by the increase in the number of patients to 222, and 64 persons had to be refused admittance because of lack of room. The new build- ing was made possible by the pledge of the Ladies Aid Association to raise $15,000 of the $25,000 necessary for the construction. Of this amount the ladies paid $6,000 during 1886, besides spending $404.47 on hospital furnishings. The main sources from which their moneys came were $4,602.49 from entertainments, $168.79 from the mite box placed in the Baltimore and Potomac station near the scene of the assassination, and $347 from membership fees and subscriptions.

The new wing contained 24 rooms for patients, besides a refectory, an operating room, and several office rooms, all constructed according

[1] The medical staff included Drs. John Frederick May, president; Swan M. Burnett, secretary; A. Y. P. Garnett, W. W. Johnston, N. S. Lincoln, J. W. H. Lovejoy, Louis Mackall, J. Ford Thompson, J. M. Toner, Ralph Walsh, Edward M. Schaeffer, microscopist; W. W. W. L. Cissell, and D. Olin Leech, assistants to the resident physician.

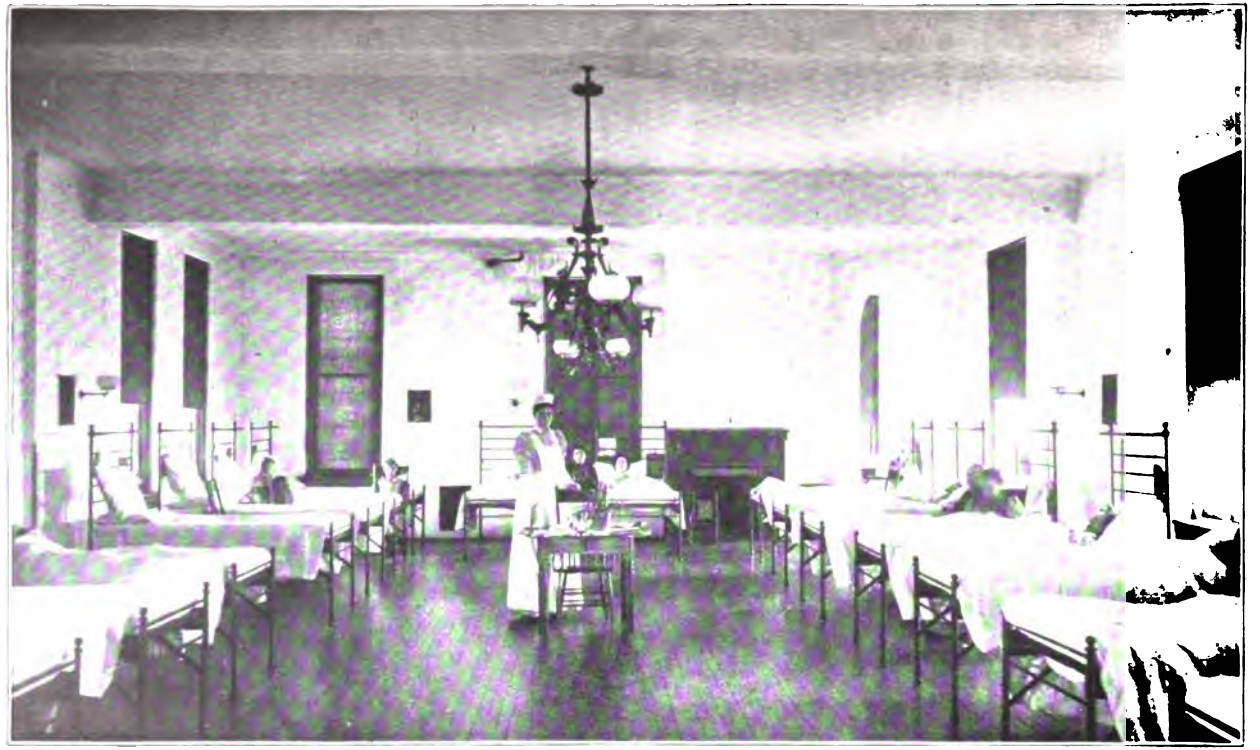
to the most approved theories of ventilation and sanitation. On the opening of these increased facilities, the management called the attention of the public to the fact that the hospital receives for gratuitous treatment in public wards all persons applying for the same, without distinction of race, sex, or creed, provided they are unable to pay their expenses, and are considered proper subjects for treatment by the medical staff. These patients are entitled, free of charge, to board, lodging, washing, medicines, nursing, and the services of the medical staff of the hospital and of the resident physician and his assistants. Patients in the wards who are able to pay are charged $4 a week for the privileges mentioned. Patients in private rooms are required to pay in proportion to the class of the room selected, and this charge includes the services of the medical staff, including the resident physicians. Any licensed physician of good standing, whether a member of the medical staff or not, may enter a patient in a private room. Such patients are entitled to board, lodging, washing, medicines, nursing, and the services of the resident physicians. The terms for medical services are agreed upon between the patient and his physician. Also, two wards were set apart for incurable patients.

The report of the hospital for 1886 showed that $105,000 had been received and expended for grounds and buildings, besides the amount spent for current expenses; that from June 18, 1884, to December 31, 1886, 604 patients had been admitted, of whom 362 were men, 207 women, 25 boys, and 10 girls; 49 were colored and 2 were Indians. Of these free patients 48 were brought by the police ambulance, 5 by the police patrol wagon, 18 were transferred from the Emergency Hospital, 5 were sent by the physicians to the poor, and 45 came from the sanitary officer.[1] The largest single gift to the hospital was the bequest, made in 1886, by William G. Metzerott, who left to Dr. John S. Billings, U. S. A., in trust $10,000 to be used for the treatment of diseases of the chest and lungs.

In their annual report dated January 12, 1888, the medical staff called the attention of the directors to the necessity of finishing and furnishing an operating room. "Without an amphitheater," they said, "it is impossible for the Garfield Hospital ever to attain that position as a center for medical and surgical teaching for which the staff are ambitious and concerning which we do not believe the board to be indifferent." The staff also desired increased accommodation for the use of nurses from the training school.

The year 1888 proved an eventful one in the history of the hospital. The management had behind them four years of experience—years of struggle, of trials, of mistakes, and of victories. With absolutely no aid from Congress, save such as was in payment of actual services rendered, the hospital had secured a fine property, its buildings were well constructed and well equipped; its medical staff was able and devoted;

[1] For a complete list of donors see the report for 1886.



GARFIELD MEMORIAL HOSPITAL—PUBLIC WARD.

ad been recognized for some time. Dr. W. A. B. Hutton was
ted resident physician, with Dr. R. D. Boss as assistant, and
ophia S. Palmer became matron, changes made "with the single
of improving the hospital." In the same spirit a staff of trained
was placed in charge of the wards. The entire buildings were
ghly disinfected, purified, and renovated, and where additional
es were needed they were supplied. A friend of the hospital gave
to equip an operating room; Prof. Alexander Graham Bell pro-
an ambulance; and a steam laundry was added.
combined requirements of age and private business caused the
ation of Dr. J. Frederick May, who had served as president of
edical staff from the opening of the hospital, and he was suc-
by Dr. J. M. Toner, who had brought about the foundation of
lence Hospital, and who was one of the most efficient members
board of St. Elizabeth's. The hospital also lost by death the
s of Dr. Garnett and of Mr. Lovejoy, two of the incorporators.
890 the hospital received an anonymous gift of $1,000 to build
house, and Mr. Samuel Norment gave $1,000 to begin a special
ment fund for the benefit of the sick and injured members of the
t police force. The directors put into operation their long cher-
lan of establishing a training school for nurses, the Ladies' Aid
ation finishing and furnishing accommodations for 15 nurses.
the year the school had 4 trained nurses, and 11 pupils entered
course of two years under the superintendence of Miss Palmer,
tron.
Justice Miller had consented to preside over the public meeting
ch the Garfield Hospital was started only after several other
ent men had declined. Drawn into the movement somewhat
ectedly, he gave to the work an amount of attention, time, study,

cision in the means of diagnosis and in the evidence as to the effects of remedies then at his command, and especially because of the mental worry and anxiety which his bad cases caused him, owing to this want of definite knowledge.[1] Mr. Justice Harlan was elected to fill the vacancies caused by the death of his late colleague.

In 1891 a searching inquiry was made into "the management and working of the hospital for the purpose of ascertaining if it was managed with due regard to the interests of the patients and with that economy which those contributing to its support have a right to expect." It was found that the average cost per patient per day for the four years was $1.63; in 1887 it was $1.53, in 1888 it was $1.75; in 1889 it was $1.54, and in 1890 it was $1.69. The average number of patients per day for the four years was 26. The inquiry developed the fact that there are great differences in the average daily cost per patient in different hospitals, and in the same hospital for different years. The investigating committee concluded "from the imperfect data given in the published reports of most hospitals it is difficult to account for these differences; and we [they] can only say that a comparison of the Garfield Hospital expenditures with those of other hospitals furnishing the same kind of accommodations, and of about the same size, does not indicate that it has been extravagant." The increased cost in 1890 was due to the fact that two of the wards were closed for two months. It appeared, further, that in a comparison of Garfield Hospital with others the only department in which the percentage of the Washington institution showed a marked excess was in salaries and wages, which item had risen from 32 per cent in 1887 to 36 per cent in 1890. In so far as the comfort and well being of patients was concerned the committee found the hospital well managed.[2]

The funds of the hospital were increased in 1891 by a legacy of $10,000, the gift of Mr. George Francis, of Washington, left to perpetuate the memory of the testator's deceased wife, after whom the Hulda Stellman Francis ward is named; and by a gift of $5,000 made by Mr. William Thompson, also of Washington. During this year also (March 31) the first graduating exercises of the training school for nurses took place. Miss Margaret A. Mullen, the single graduate, received the honors of the occasion in the presence, among others, of Mrs. Garfield. The exercises took place in the Victoria memorial room, which had been furnished by the St. George Society of Washington to commemorate the fiftieth anniversary of Queen Victoria's accession to the throne of England. Three other nurses graduated during the year.

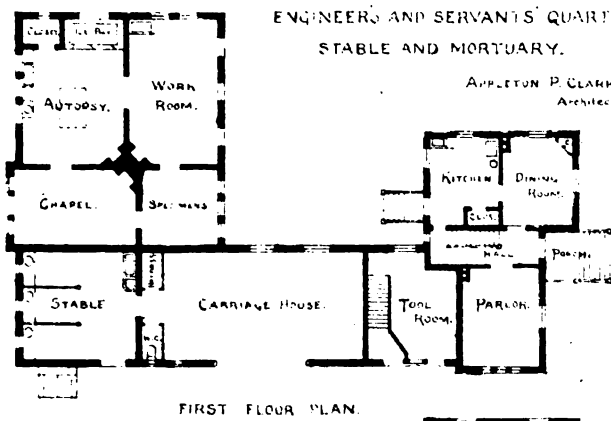
During 1892 the Miller Memorial Building was completed and furnished, giving the hospital in all 100 free beds. The building was opened by a bazaar and dancing on the eighth anniversary of the dedi-

[1] Report of the board of directors, January 1, 1891.

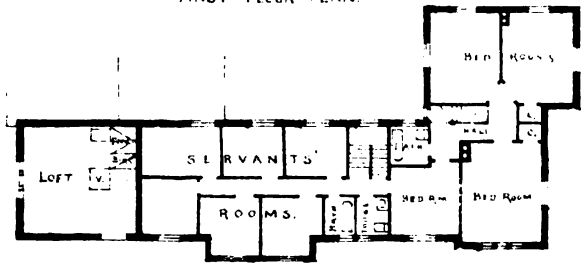
[2] The committee consisted of Drs. Billings, Yarrow, and Thompson, Mrs. Logan, and Mrs. Tullock. They had the expert services of Mr. W. J. Lowell, of the United States Treasurer's office.

ENGINEERS AND SERVANTS' QUARTERS
STABLE AND MORTUARY.

APPLETON P. CLARK, JR.
Architect



FIRST FLOOR PLAN.



SECOND FLOOR PLAN.

GARFIELD MEMORIAL HOSPITAL.

cation of the hospital. The Ladies' Aid Association now addressed to the women of America a circular letter asking contributions and at the same time making a statement of the financial work done by the women during the ten years, from May 1882. This statement was as follows:

RECEIVED.

From entertainments	$30,540.39
Donations and memberships	8,691.63
Ward for incurables (Miss Coleman)	5,400.00
Mite box (in Baltimore and Potomac station)	1,089.40
Vice-presidents	347.25
Collectors' books	314.00
Circular letter	51.37
Total	46,434.04

PAID OUT.

Toward purchase of site	5,000.00
Toward first wing	2,000.00
Expenses of entertainments	3,320.71
Hospital furnishings	7,147.70
Printing, advertising, and secretary's supplies	634.19
Ward for incurables	5,400.00
Hospital expenses and interest	2,958.00
Putting in elevator	1,500.00
Ice room	1,000.00
Attic furnishing	1,999.12
Ladies' Aid Building	15,000.00
Balance on hand	447.32
Total	46,434.04

In May, 1894, a new administration building was occupied. Offices, lecture rooms, dining rooms, and apartments for officers and nurses were thus provided, and new wants were created by the growth of the work and the enlargement of facilities. Also a free dispensary was opened. A pathological and bacteriological laboratory was equipped and placed under the charge of Dr. Philip Jaisohn. By an arrangement with the Home for Incurables and the Washington Home for Foundlings those institutions were supplied with nurses, the number being increased from 13 to 30.

The buildings of the hospital are now six in number, costing $135,750. The value of the lands is estimated to be $250,000. From the opening of the institution to December 31, 1896, 7,364 patients have been treated in the hospital and 4,366 in the dispensary, which latter branch of the work is self-supporting. The superintendent, who is the chief resident physician, receives $1,000 per annum, and the matron and superintendent of the training school for nurses also receives $1,000. No compensation is received by the medical staff.[1] The training school has graduated 25 nurses.

[1] The consulting staff for 1896 was: Doctors William W. Johnston, president; Nathan S. Lincoln, James W. H. Lovejoy, Z. T. Sowers, Henry C. Yarrow.

The attending staff was: Doctors George N. Acker, Samuel S. Adams, G. Wythe

The hospital received in 1896 from Congress an appropriation of $19,000 a year; from endowment ($10,000) an income of $500; from pay patients $14,417.78; from membership fees, donations, and entertainments $1,807.08, making a total income of $35,724.86. The property of the hospital is mortgaged for $75,000, and the other debts amount to $1,200; the interest paid amounted to $4,217.77.

The number of patients in 1893 was 515, as against 1,302 in 1895, besides 1,700 dispensary patients. The average daily number of patients increased from 30 to 79. The receipts from private patients rose from $7,000 to over $14,000, while the cost of maintenance increased by only $4,556. The average cost per patient per day has been reduced from $1.89 to 89 cents, thus bringing the hospital in line with the great hospitals in other cities.

In a certain way the United States Government has committed itself to the Garfield Memorial Hospital project. Mention has already been made of the circular letters addressed to the diplomatic and consular officers of the United States, soliciting funds for the erection of the hospital; also, through appeals sent out by the Post-Office Department, the postmasters throughout the country were made the agents for collecting subscriptions from people all over the land. While it is true that the circulars so sent out were marked "unofficial," yet at the same time the whole machinery of the Government, both at home and abroad, was utilized in furtherance of the project. Churches of every denomination and benevolent associations of every kind sent in their subscriptions for varying amounts.

For example, Benjamin F. Peixotto, United States consul at Lyons, France, issued a circular in French, making an appeal for funds for the erection at Washington of an international hospital designed to perpetuate the memory of President Garfield, and announced himself as authorized by his Government to receive and transmit to the Treasurer of the United States all subscriptions received for this object. This circular named as the executive committee W. T. Sherman, General Commanding the Army of the United States; James Gilfillan, Treasurer of the United States; James G. Blaine, ex-Premier Ministre, and William Windom, ex-Ministre des Finances.

The American Register, Paris, for March 11, 1882, contained a list of subscribers to the fund, including the Empress Augusta of Germany, 600 francs; the King and Queen of Belgium, 1,000 francs; the Queen of Spain, 300 francs; the Empress Eugenie, 250 francs; the Grand Duke and Grand Duchess of Baden, 300 francs; His Imperial Highness the Grand Duc Constantine of Russia, 200 francs; the Convent of the

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Cook, secretary; Middleton F. Cuthbert, Henry D. Fry, Arthur A. Snyder, Albert L. Stavely, J. Ford Thompson, John Van Rensselaer, Leonard Wood, W. Holland Wilmer, in charge of diseases of the eye; Joseph H. Bryan, in charge of diseases of the throat, nose, and ear; James C. McGuire, in charge of diseases of skin.

The dispensary staff was: Doctors Henry B. Deale, first assistant; Thomas A. Claytor, second assistant.

Sacred Heart, Paris, 150 francs; Lord Justice Sir Henry Hawkins, 20 francs; and other subscriptions to the amount of 17,265 fr. 35 c.[1]

King George of Tonga sent $239.50 through the American consul at Opia, Samoan Islands. Japan, India, Brazil, Australia, Haiti, Mexico, Demerara, China, Russia, Canada, England, and other countries sent subscriptions. Indeed, no place seemed too remote to make its contribution to perpetuate the memory of a man whose assassination stirred the whole world.

It is true that the Windom bill (S. 35, Forty-seventh Congress, first session), to incorporate the hospital, failed to pass the House of Representatives, but the hospital was incorporated under the regular incorporation act of the District of Columbia, which made provision for such corporations, and at the instance of the directors of the hospital the general incorporation laws were changed so as to cover all possible needs of such an organization.[2] The fact that the hospital has since its organization commended itself to Congress is seen from the annual appropriation of $19,000 which it receives from the United States Treasury. No gifts for lands, buildings, or equipment, however, have been made.

III.

The outbreak of the war of the rebellion brought Congress face to face with the question of slavery in the District of Columbia. Congress attempted to meet the situation by emancipating the slaves and sending them out of the country. The first section of the act of April 16, 1862, provides:

> That all persons held to service or labor, within the District of Columbia, by reason of African descent, are hereby discharged and freed of and from all claim to such labor or service; and from and after the passage of this act, neither slavery nor involuntary servitude, except for crime, whereof the party shall be duly convicted, shall hereafter exist in said District.

An appropriation of $1,000,000 was made to carry out the provisions of the act; and of this amount $914,942.18 was expended from 1862 to 1868,[3] on the basis of $300 paid for each slave.

The same act appropriates $100,000, to be expended under the direction of the President, to aid in the colonization and settlement of such free persons of African descent then residing in the District of Columbia, including those to be liberated by that act, as might desire to emigrate to the Republic of Haiti or Liberia, or such other country beyond the limits of the United States as the President might determine, the expenditure to be limited to $100 per each emigrant. On July 16, 1862, a further appropriation of half a million dollars was made to enable the President to carry out the District emancipation act above adverted to, and "to colonize those to be made free by the probable passage of a confiscation bill." This money was to be repaid to the Treasury out of confiscated property. The President had full control over the fund, to

[1] Toner MSS. relating to Garfield Hospital, in Library of Congress, p. 42.
[2] Toner MSS., p. 43.
[3] Senate Ex. Doc. No. 84, Forty-fifth Congress, second session, p. 180.

use it in securing the right of colonization and in the payment of the necessary expenses of removal.[1]

Under the provisions of the colonization law one person exiled himself in 1862; in 1863 the sum of $28,420 was expended, and in 1864 this amount was increased by $9,809.93, making a total expenditure of $38,329.93 out of appropriations aggregating $600,000. It was quite evident that the dependent freedmen preferred to continue dependent on the Government that had freed them rather than to seek new homes in countries where they would have to look out for themselves. Therefore it was necessary to make special provisions for the aged, the orphans, and the sick. For the aged and the sick the Freedmen's Hospital and Asylum was established. The National Association for the Relief of Destitute Colored Women and Children was also the outgrowth of the conditions described.[2]

The Freedmen's Bureau doubtless had its origin in an interview held in January, 1865, by Gen. W. T. Sherman and Secretary Stanton with the representatives of the colored men of the coast region of Georgia and South Carolina, as a result of which interview certain islands and rice lands were set apart for the settlement of negroes freed by the war, and Gen. R. Saxton was made inspector of settlements and plantations to carry out the schemes of colonization embodied in General Sherman's special orders, No. 15, dated January 16, 1865.[3]

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[1] Stat. L., vol. 12, pp. 378, 582.

[2] The Freedmen's Hospital is an outgrowth of the late civil war. During and after the war large numbers of freed people drifted into this city and remained here. Many of them were chronic invalids, insane, idiotic, etc., and required medical attendance. The local authorities refused to provide for them, and the Freedmen's Hospital was established for that purpose.

During the existence of the Freedmen's Bureau, of which Dr. Robert Reyburn was the chief medical officer, 56 hospitals and 48 dispensaries were established at various points in the Southern States. During the period of "reconstruction" all of them were turned over to the local authorities of the Southern States by Chief Medical Officer Reyburn except the one located at Richmond, Va. At this point so many of the freed sick, crippled, and idiotic congregated the city authorities of Richmond refused to care for them, and they were brought to this city and provided for by the General Government in the Freedmen's Hospital.—*Dr. Busey's Reminiscences*, p. 218.

[3] The advance of our armies had brought within our lines great numbers of negroes, formerly slaves, and individuals and associations interested in their welfare pressed on Congress the importance of a special department in the Government charged with the duty of aiding and protecting them during the transition period. The House passed, March 1, 1864, a bill, reported by Eliot of Massachusetts, which established a freedmen's bureau under the War Department. Sumner's committee, to which it was referred in the Senate, reported a substitute, which placed it under the Treasury Department, already charged with abandoned lands in the insurrectionary districts, which were at the time, or likely to be hereafter, largely occupied by the freedmen. * * * Sumner pressed it with his characteristic pertinacity and it was carried June 28. * * * In February, 1865, a committee on conference reported a bill creating an independent "Department of Freedmen and Abandoned Lands." This passed the House, but Sumner was unable to carry it in the Senate, where Hale

THE FREEDMEN'S HOSPITAL—HOWARD UNIVERSITY MEDICAL SCHOOL AND ADMINISTRATIVE BUILDING

ıarch of events, however, brought the war to a close more than was anticipated by General Sherman and the Secretary and before the fall of Richmond Congress was forced to estab- Bureau of Freedmen, Refugees, and Abandoned Lands, and mitted to the new establishment the freedmen who had been rst of the War and afterwards of the Treasury Department. 'eau was attached to the War Department; and inasmuch as ›priation was made to carry out the provisions of the law, Mr. solved the difficulty by assigning army officers, providing s then in the possession of the Government for military pur- ıd furnishing them by requisitions on the Quartermaster's De- t. In May, 1865, the President appointed Maj. Gen. Oliver O. , then in command of the Army of the Tennessee, to be the head ureau, with the title of Commissioner.[1]

al Howard appointed ten assistant commissioners, with one n all army officers in actual service. For the District of Colum- Brig. Gen. John Eaton, jr.,[2] was selected. Surg. C. W. Homer,[3] f medical officer of the Bureau, had general supervision over cal matters connected with the freedmen, and the instructions make the medical department self-supporting so far as possible. ıking up of the old plantation system, the frequent expulsion ged, sick, and infirm from the plantations by their former mas- flocking of the freedmen to cities and military posts greatly d the sickness and mortality among them.

, in 1862, a large number of freedmen and refugees poured into gton, Dr. Daniel Breed called the attention of the Secretary of he importance of having some hospital where the sick contra- uld be treated; and he obtained authority to open a hospital rooms on Capitol Hill. Subsequently this work was moved to f ground on the square bounded by Twelfth and Thirteenth d S streets. A company of soldiers under command of a Captain had been encamped there, and the place was then known as arker. There the hospital continued until the winter of 1864.

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ampshire and Lane of Indiana joined Grimes in opposition. On the last › session another committee of conference agreed on a bill which placed n in the War Department, limited its term to one year after the war, and s scope. In this form it passed without debate or division, and was one of cts approved by Mr. Lincoln. Gen. O. O. Howard was appointed Com- The Bureau became a distinctive part of Republican policy, and a year s found necessary to enlarge its powers and strike out the limitation of The Bureau was maintained till January 1, 1869, and did good service lge from slavery to freedom."—*Edward L. Pierce's Memoir and Letters of mner*, vol. iv, pp. 178, 179. See also *Wilson's Rise and Fall of the Slave* . iii, pp. 455–504.

ıerican Annual Cyclopædia, 1865, 1866, 1867.

l Eaton was relieved by Brig. Gen. J. S. Fullerton December 4, 1865, and was relieved by Brig. Gen. C. H. Howard February 7, 1866.

. A. Edwards succeeded in 1866.

Dr. Breed resigned, and Maj. A. T. Augusta was appointed in his stead. The latter was succeeded in 1864 by Acting Asst. Surg. William P. Powell. In May, 1864, Dr. C. B. Purvis was appointed hospital dispensary steward under Dr. Powell. In August, 1864, being prostrated with typhoid fever, Dr. Purvis obtained his discharge, and returned to the North. He afterwards recovered, returned to the Cleveland Medical College, graduated, and was appointed acting assistant surgeon of the United States Army, under Medical Director Abbott.

During the winter of 1864 Camp Barker was razed to the ground, and hospital buildings were erected at the intersection of Vermont avenue and Fourteenth and M streets, where the residence of Senator Justin M. Morrill now stands. In August, 1865, the hospital was transferred to the buildings known as Campbell Hospital, now the present site of the Le Droit Park. These buildings would accommodate 1,500 patients. The major portion of the buildings were used as quarters for freedmen and refugees, under the control of the Freedmen's Bureau. The hospital was in charge of Assist. Surg. Patrick Glennan. His immediate assistants were Drs. William P. Ellis and A. P. Abbott, two colored men. Dr. Purvis was assigned to attend to the freedmen and refugees who were quartered in different parts of the city, and to hunt up the smallpox cases and transfer them to what was known as the Kalorama Hospital. He was transferred from Medical Director Abbott to the Freedmen's Bureau, under Medical Director Edmunds, in August, 1865.

The Freedmen's Bureau erected new buildings on a plot of ground north of Campbell Hospital, on part of the farm of Mr. Smith. They were completed in 1868, and patients transferred from Campbell Hospital to the new institution, which is the present Freedmen's Hospital.

The general supervision of all the medical work of the Bureau in the District of Columbia was in charge of Dr. Robert Reyburn,[1] who reported that for 1866 fourteen medical officers were on duty in his division. The cities of Washington and Georgetown were divided into five districts, and an acting assistant surgeon was assigned to each to attend patients at their homes. An extra diet kitchen, under the charge of ladies who gave their services, provided food for those who were sick at home. In the District 22,798 patients were treated, of whom 21,239 were pronounced cured and 752 died. The average mortality was 33 in 1,000.

[1] The Freedmen's Bureau had three hospitals—one in Washington, one at the Freedmen's Village, under the charge of Dr. M. Stovell, and L'Ouverture, at Alexandria, in charge of Dr. Lewis Heard. Both doctors were acting assistant surgeons in the Army. Five contract surgeons were also employed to attend freedmen and refugees at their homes in the cities of Washington, Georgetown, and Alexandria, and in the Freedmen's Village at Arlington. They were Drs. H. N. Howard, A. C. Tabor, J. H. Bushnell, C. B. Purvis, and Washington Kilmer. (Toner's Medical Register, 1867.)

THE FREEDMEN'S HOSPITAL—ENTRANCE.

ril 6, 1869, Bvt. Col. and Surg. L. A. Edwards, at his own was relieved from the duties of chief of medical staff of 's Bureau, and was succeeded by Dr. Robert Reyburn. The f hospitals had been reduced from 21 to 2, namely, the one at l, Va., and the Freedmen's Hospital in Washington. Dr. Rey- rts that a vast majority of the 302 patients under treatment ngton were so helpless, either from old age or bodily infirmity, would require to be supported from some source during the of their lives. He had also under his charge 71 colored at the hospital at Richmond, and recommended that a tem- ilding be erected at the Insane Asylum building at Washing- eive these patients.

District of Columbia, from May to November, 1865, there were the freedmen's hospitals 3,300 adult males, 2,810 adult ,345 male children, and 2,520 female children. On October were remaining under treatment 275 adult males, 270 adult 05 male children, and 93 female children. The percentage of the District of Columbia was but 3 per cent, as against 49 in North Carolina (where there was practically no medical e), 0.09 in Virginia, 0.04 in South Carolina, and an average of t in all the Departments. In the District of Columbia, also, , employing 91 teachers and having an attendance of 4,884, nized to supplement the regular colored schools of the Dis- e freedmen first exercised the right of suffrage in the District ry 25, 1866.

he Freedmen's Bureau was broken up in 1869, Congress, at ce of Dr. Reyburn,[1] passed an act[2] authorizing and directing issioner of the Bureau of Refugees and Freedmen to continue tals at Richmond, Va.; Vicksburg, Miss., and in the District bia, including the asylum for aged and infirm freedmen and children. The expense was to be paid out of moneys there- propriated for the use of the bureau; and it was provided hospitals should be discontinued as soon as practicable, in the of the President.[3]

a special order of the War Department, dated January 21, subsistence department of the Army was issuing rations to es of the hospital and asylum at Washington, and certain his ration were exchanged for other supplies. For example, s not in the ration, and if butter was wanted an overplus of r article was ordered and exchanged for butter, a practice stopped by the subsistence department. The premises occu- he hospital having come into the possession of Howard Uni-

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eport 209, Forty-fifth Congress, second session, p. 281.

ting to freedmen's hospitals, approved April 7, 1869.

er to the editor Dr. Reyburn states that employment agencies were estab- colored people, and many persons were sent to different parts of the here they found remunerative employment.

versity,[1] a lease was executed in 1874, and is still in force, by which the university agreed with Robert Reyburn, surgeon in charge of the Freedmen's Hospital for the Interior Department, to let the buildings and grounds known as the Freedmen's Hospital from the 1st day of July, 1874, to the 30th day of June, 1875, for the sum of $4,000. It was agreed by the surgeon in charge that he should furnish the light and heat for that portion of the main brick building used by the medical department of the university, and should allow the medical department to use a portion of the premises, and to have facilities for clinical instruction. The buildings were to be kept in repair by the lessees. The lease was signed by John M. Langston, vice-president and acting president of Howard University, and by Dr. Reyburn.

Dr. Reyburn was in charge of the hospital from its organization and building in 1866 until March, 1875, when he was succeeded by Dr. G. S. Palmer.[2] In his testimony taken by the subcommittee on appropriations (consisting of Senators Sargent, Allison, and Eaton) relative to the management of Freedmen's Hospital, in February, 1878, Dr. Palmer states that when he took charge of Freedmen's Hospital on March 20, 1875, as surgeon in charge he could find no statute law by which he was to be governed in its management. The hospital had been established by the Commissioner of the Freedmen's Bureau, transferred by act of Congress from him to the Secretary of War, and subsequently by the same authority to the Secretary of the Interior, and it had been supported since 1872 by annual appropriations from Congress.[3]

Soon after taking charge he went to the Secretary of the Interior for instructions. The Secretary gave him none, excepting that he must do the best he could with the institution, and never exceed the appropriation. He was then left to follow precedents, customs, and his own judgment. He found some things to correct and corrected them, but in most respects it seemed to him that the hospital had been managed satisfactorily to the Government and for the best interest of the inmates. Hence he continued the general management the same as he found it. He continued the same custom of diet, with some improvements, and

[1] The hospital was transferred to Howard University by Secretary of War Rawlins, under an act of Congress giving him authority to make such transfer through the Commissioner of the Freedmen's Bureau.

[2] Dr. Palmer was graduated from the Maine Medical College in 1838. He practiced in the city of Gardiner, Me., until the war broke out; then went into the army and was first a regimental surgeon and then a surgeon of volunteers, and was assigned to duty in various parts of the Army. He had charge of the Lincoln Hospital in Washington, one of the largest hospitals at that time in the city. He served on the battlefield of Gettysburg, and then took charge of the hospitals in the Cumberland Valley under Dr. King. From there he went to St. Louis, and was superintendent of hospitals in the vicinity of St. Louis under Dr. Mills. He then went to Annapolis, and had charge of St. Johns College Hospital until the war terminated, and at the same time was on the board of examination of officers, performing the duties of medical officer. Senate Report 209, Forty-fifth Congress, second session, p. xxiii.

[3] Senate Report 209, Forty-fifth Congress, second session, p. 238.

employed the same cooks, nurses, and the same employees generally. No money passed through his hands, but he approved bills for all articles purchased, and they were paid at the Interior Department every month. He also made a full return of all property, for which the surgeon in charge was accountable.

On July 1, 1877, he discontinued the issuance of rations to patients in quarters, and also to the children of the Colored Orphan Asylum. They had always constituted part of the Freedmen's Hospital and Asylum, and he did not drop their names from the rolls of the hospital until the 1st of August, 1877. He also carried the names of patients in quarters to whom rations had been issued on the hospital rolls until the 1st of October, thus giving them an opportunity to come in when they chose. They all understood that they belonged to the hospital and that that was their home, but they had been permitted to live out in consequence of enjoying a large liberty and because this method was economical for the hospital.

Dr. Glennan remained executive officer during the administrations of Drs. Reyburn, Palmer, and Purvis. He had been through the war as assistant surgeon. During Dr. Reyburn's term of office as surgeon in chief of the present hospital his assistants were Dr. G. S. Patterson, Dr. Joseph Tabor Johnson, Dr. C. B. Purvis, Dr. Mear, and Dr. J. D. Harris. This number was reduced so that his assistants were Drs. Glennan, Purvis, and Harris. During the administration of Dr. G. S. Palmer his assistants were Drs. Glennan, Purvis, and for a short time J. D. Harris, and then for a year Dr. A. T. Augusta. At the time he resigned there were but two assistants, Drs. Glennan and Purvis. Dr. Palmer resigned in October, 1881, and Dr. C. B. Purvis was appointed in his stead. The latter held the position until 1894, when he was removed by Secretary Hoke Smith.

Freedmen's Hospital continued under the control of the Freedmen's Bureau until June 30, 1872, when it passed under the supervision of the Secretary of War.[1] Under the act of June 23, 1874, the institution was transferred to the Interior Department. For the fiscal year 1872–73 Congress appropriated $74,000 for the support of Freedmen's Hospital and Asylum, including the pay of medical officers and attendants, medicines, medical supplies, and rations, clothing, rent of hospital building, fuel and lights, repairs and transportation. It was provided that no part of the appropriation should be used to pay the expenses of any patient to be admitted thereafter, unless from some other Government hospital. Of this appropriation but $72,000 was used. In 1874 the expense was $51,284.90; in 1875 it was $50,202.59; and in 1876 it was $45,000.[2]

The present surgeon in chief of the Freedmen's Hospital is Dr. Daniel H. Williams, who was appointed to the position in the spring of 1894

[1] Act of June 10, 1872. Statutes at Large, vol. 17, p. 366.

[2] Senate Ex. Doc. 84, Forty-fifth Congress, second session, p. 194.

by the Hon. Hoke Smith, Secretary of the Interior, at the request of Secretary of State Gresham. Before coming to Washington, Dr. Williams was connected with the Provident Hospital, of Chicago, in which institution both Judge and Mrs. Gresham were interested. For four years he was connected with the Illinois State Board of Health and for eight years was attending physician to the Protestant Orphan Asylum in Chicago.

The grounds on which the hospital buildings are located are valued at $100,000, and the buildings themselves at about $40,000. With the exception of the brick structure occupied as a dispensary, an administrative building, and a medical college, the buildings are of wood, are cheaply constructed, and are heated by stoves. The hospital provides for about 500 persons each year and has a daily average of from 175 to 200 patients in both hospital and dispensary. About one-third of the patients are white, and all are charity patients. Admission is through the Secretary of the Interior, the sanitary officer of the District of Columbia, and the physicians to the poor. The Secretary alone can order patients to be received. It is estimated by the surgeon in chief that about one-half of the patients are not residents of the District of Columbia.[1]

In his testimony before the Joint Committee on the Charities and Reformatory Institutions in the District of Columbia, Dr. Williams tated that the Freedmen's Hospital, one hospital in Chicago, and as small hospital in Baltimore, are the only ones in which a colored man can obtain medical training, or a colored woman can be trained as a nurse. The training school for nurses was organized on its present basis by Dr. Williams. Four colored men and one white man are employed as interns, taking the place of two salaried assistant surgeons formerly employed. The sum of $3,000 thus saved is devoted to the pay of the interns at a sum not exceeding $10 a month, and of the nurses at $7 a month. The 40 nurses are under the superintendence of Miss S. C. Ebersole, who came to the Freedmen's Hospital on the recommendation of the authorities of Johns Hopkins Hospital. The length of course for nurses is two years. The income of the hospital ($54,025 in 1896–97) comes entirely from the Treasury, the appropriation being made in the District of Columbia appropriation bill. The Secretary of the Interior manages the institution, but the expenditures are under the control of the Commissioners of the District of Columbia.

IV.

The National Homeopathic Hospital was incorporated June 10, 1881, under the general incorporation law. For two years after its organization the corporation had no hospital building. The first year the

[1] Testimony of Dr. Williams, Senate Doc. No. 185, Fifty-fifth Congress, First Session, page 268.

THE NATIONAL HOMEOPATHIC HOSPITAL.

eceipts were $85; the second year, $229.50; the third year the hospital ras practically closed, and the receipts were but $60. The year fol- owing the receipts rose to little less than $3,000, of which $1,839.40 ras raised by the association now known as the Ladies' Aid Association. 'rom this date forward the receipts increased until they amounted in the ggregate, on December 31, 1891, to $101,996.23. Of this sum a little ess than $19,000 was raised by the Ladies' Aid Association. The pro- eeds from the fair given by the National Homeopathic Hospital Asso- iation in 1885 were $2,708, and up to 1892 about $20,000 had been eceived from patients, notwithstanding the fact that the hospital was losed for four months in 1889. The total receipts from donations uring the first decade were $3,931.10 and from membership fees, $930.

The early records of the hospital are not available, but the origin of he enterprise seems to have been the movement (in 1881) that culmi- ated in the selection by the hospital trustees of a board of 200 lady ıanagers, which organization immediately began to raise money by con- erts and excursions. While working for the Homeopathic Hospital a roject for a union with the Garfield Memorial Hospital (also chartered n 1881), with the view of establishing "a grand unsectarian hospital, rhere both systems of medicine could be fairly and openly tried," was ntered into by a number of the lady managers of the former institu- ion. In November, 1882, however, a number of the lady managers rho were not favorable to the union obtained a charter and established dispensary. In the autumn of 1883 Mrs. G. S. Wilcox and Mrs. G. W. 'ope interested many other persons in the hospital enterprise, and at a ublic meeting a new board of trustees was selected, and a small build- ng on F street, between Eleventh and Twelfth streets, was secured.)uring 1884 luncheons, fairs, concerts, and other like entertainments ealized a sum sufficient to carry on the work.

It was at this time that the managers of the Garfield Memorial Hos- ital finally declined to grant to the homeopaths an equal representa- ion on their board of trustees, and thereupon a committee of ladies, onsisting of Mrs. Charles Nordhoff, Mrs. F. L. Freeman, and Mrs. E. 3. Wright, by an appeal to Congress for the recognition of a homeo- athic hospital among the charities of the District, secured an appro- riation of $15,000 for the purchase or erection of a building. In 1885 second committee, consisting of Mrs. Sara A. Spencer, Mrs. A. F. 'hilds, Mrs. John Ellis, Mrs. Robert Stevens, Mrs. Isabella M. Bittin- er, Mr. Alonzo Bell, and Mr. Elias S. Hutchinson, secured from Con- ress a further appropriation of $5,000; and in January, 1876, the resent building was opened. The work of planning the changes levolved on a building committee, made up of Mr. Elias S. Hutchinson, Ir. Lewis Clephane, and Mr. G. H. Wilcox.

The president of the association in 1888 was Chief Justice Morrison 2. Waite, of the United States Supreme Court; the vice-presidents rere Mr. Hutchinson and Mrs. Nordhoff; the secretary was Mr. Joseph

M. Wilson, and the treasurer was Mr. Lewis Clephane. Mr. A. S. Pratt was president of the board of trustees.

For the purchase and fitting up of the grounds and building now occupied by the hospital, at the corner of N and Second streets NW., Congress appropriated in all $29,500; and for maintenance during the first ten years of the hospital's existence $23,000 was appropriated.[1] During the same period the hospital spent $61,446.99 for maintenance, hospital appliances, tools, incidental repairs, and sundries. During that time the hospital accommodated 1,000 patients. At the time the hospital was established there were about a dozen homeopathic physicians in the city, and at the end of the ten years this number had increased to 50 homeopathic physicians in successful practice in Washington.

The management of the hospital is intrusted to a board of trustees, the medical staff, and the hospital committee. Aside from the trustees there is a hospital association which has its own officers. In 1891 Hon. Roswell P. Flower, a member of the House of Representatives from New York, was the president; E. S. Hutchinson and Mrs. Charles Nordhoff were the vice-presidents, and Lewis Clephane was the secretary. Of the board of trustees, John Joy Edson was the president; A. S. Pratt and Mrs. I. M. Bittinger were the vice-presidents; William Redin Woodward was the secretary; Job Barnard was the treasurer, and Charles B. Bailey, Henry M. Baker, Mrs. Thomas H. Martin, and Mrs. Sara A. Spencer were the other members of the board.

The hospital committee consisted of Mr. Edson, Mr. Bailey, Mr. Barnard, Mrs. A. F. Childs, Mrs. A. H. Davis, and Mrs. Harrison Dingman. The emeritus staff of the hospital was made up of Drs. Tuleo S. Verdi,[2] Gustavus W. Pope, and Simon I. Groot. Dr. J. B. G. Custis was the chief of the staff, and with him were associated Drs. Edward Janney, Grace Roberts, Ralph Jenkins, Daniel H. Riggs, Lyman B. Swormstedt, Charles B. Gilbert, Henry Krogstad, and S. S. Stearns, the members of the staff being elected to serve three years.

In 1892 Hon. John Dalzell, Member of Congress from Pennsylvania, was elected president of the association to succeed Hon. Roswell P. Flower, which position he stills retains.

In 1892 the hospital received a letter from the president of the Ladies' Aid Association, Mrs. A. R. Quaiffe, guaranteeing from that association a sufficient sum to open a training school for nurses. The report of the president for this year shows that the members of the medical staff

[1] The hospital was established on January 15, 1884, on F street, between Eleventh and Twelfth streets NW. From this building the hospital was removed, October 30, 1884, to No. 520 Third street NW. The present building was erected for a brewery and was afterwards used as a public school. It was opened as a hospital in February, 1885.

[2] Dr. Verdi, after a service of many years as chief of the medical staff of the hospital, declined reelection as a member of the staff, and was made a member of the emeritus staff under the provision of the by-laws that provides that those physicians and surgeons who have served six years on the medical staff of the hospital shall, by virtue of such service, become members of the emeritus medical staff.

admitted to the hospital 42 pay patients and 29 free patients, and that other physicians sent to the hospital 41 pay and 31 free patients. The sanitary officer of the District of Columbia sent 35 free patients. Thirty-nine pay patients and 187 free patients were admitted to the hospital, and 15 free patients were admitted from the various institutions in the District of Columbia. The total number of patients treated at the hospital during that year was 451; an increase of more than 50 per cent over the number treated during the previous year. Of these, 54 were colored. In the dispensary 2,890 patients were treated.

In 1894 the hospital received from the bequest of Mrs. Nancy B. Scudder the sum of $5,000, to constitute a fund, the income from which is devoted to the endowment of a free bed. Mrs. Scudder also left to the hospital many books and pictures, which have added to the attractiveness of the building. In 1889 extensive improvements were made to the hospital building, at a cost of $8,500. In 1890 the fourth floor of the hospital was completed and thus 16 rooms were added, including a surgical operating room, at a cost of $2,800.[1] The next year an Otis elevator was placed in the hospital, at a cost of $3,500; in 1892 a commodious and nicely equipped kitchen was built, at a cost of $2,000, and the next year a laundry was constructed at a cost of $2,700.

In the summer of 1893 the training school for nurses was organized, under the superintendence of Miss S. W. Wartman, who had been in charge of a similar school in Wilmington, Del. From the first the school gave promise of complete success, and proved of great practical benefit to the hospital. The course of training was fixed at two[2] years—the first year exclusively in the hospital, the second year both in hospital and outside nursing. A diploma is provided for those who successfully complete the course and pass the final examination, the medical staff of the hospital and the superintendent constituting the faculty of the school. The first admission to the school is upon application, with proper indorsements as to health and character. The first month is probationary, without compensation; and if the candidate is found satisfactory, the probationer is enrolled as a pupil nurse, upon signing an agreement to pursue the course to the end. The candidates must not be under 18 nor over 35 years of age. The compensation the first year is $7 per month, and the second year $12 per month, a part of which sums are retained until the end of the course. Four nurses, who were in the hospital when the school was started, entered as pupil nurses, and were given a reasonable credit on the two years' course for knowledge and experience already acquired.

The salary of the superintendent, $900, was assumed by the Ladies' Aid Association, and a diet kitchen for the use of the training school

[1] This room has recently been completely refitted, and is now one of the most complete operating rooms in Washington.

[2] The course is now three years; the compensation is $7 per month during the first year; $10 per month during the second year, and $12 per month during the third year.

was also provided. The sum of $250, given to the hospital by the inaugural committee from their surplus, was used in fitting up nurses' quarters. In November, 1890, the Nordhoff Guild, a sewing circle, was organized as an auxiliary to the Ladies' Aid Association. The officers of the guild for 1893 were, president, Mrs. John Dalzell; vice-president, Mrs. John Tweedale; secretary, Mrs. Rufus Choate; treasurer, Mrs. J. H. Whitaker; executive committee, Mrs. Lewis Clephane, Mrs. G. H. Wilcox, and Mrs. E. M. Marble. This guild has given many entertainments, all of which have resulted in considerable additions to the funds of the institution.

During 1894 the wisdom of establishing the training school for nurses was shown, not only by the increased efficiency of the hospital nursing, but also by reason of the fact that the nurses brought to the hospital a revenue of $1,434.15, the sum paid for outside nursing done by them. During this year a mortgage of $6,000, at 6 per cent interest, was placed upon the buildings and grounds of the hospital, and the proceeds were used to extinguish the indebtedness that had been accumulating for several years for improvements, repairs, and maintenance. The trustees also borrowed $3,384.91 to improve the building, the Ladies' Aid Association guaranteeing to raise $3,000 of the amount.

In February, 1894, Mrs. Rennis C. Wilson succeeded to the position of superintendent, but died during July of that year. Miss Mary H. Ellison, who had been Mrs. Wilson's assistant, was appointed superintendent for three months on probation, and at the end of that time her appointment as superintendent was confirmed. In 1894 Mrs. John B. Wight succeeded to the presidency of the Nordhoff Guild. In May, 1895, the first class of the Nurses' Training School, 10 in number, were graduated, and in that year the receipts of the hospital from this source were $1,582.09. On January 2, 1895, Mrs. A. R. Quaiffe was compelled by ill health to resign the presidency of the Ladies' Aid, and Mrs. W. L. Vanderlip was elected to succeed her. In 1896 the receipts of the hospital were $16,731.40—about $1,000 less than the receipts of the year previous. The difference is accounted for in the decrease of the receipts from the Ladies' Aid Association, which dropped from $1,650 in 1895, to $520.48 in 1896. The receipts from pay patients were $5,398.88, only $41.83 less than for the year previous. The receipts of the nurses for outside nursing were $1,374.52, a decrease of $207.32. There was an increase of $250 in the amount received from the Government.

The cash disbursements during the year left a balance of $74.36 in the hospital treasury and $312.70 in the United States Treasury. To offset this there were a trifle more than $3,000 of bills approved and unpaid and about $400 in bills awaiting approval, making a total indebtedness for current expenses of $3,417.25. Deducting the balance on hand left a net indebtedness of $3,030.19. This indebtedness was the accumulation of two and a half years, showing that the average deficit in the running expenses of the hospital during that time had been about $100 per month, a reduction of 50 per cent over the

WASHINGTON ASYLUM HOSPITAL—A PAVILION.

deficit of the previous three years. At the same time the report of the medical staff showed that there was a small increase over the previous year in all the departments of the hospital, the total number of hospital cases treated being 502; dispensary cases, 7,890.

In 1896, Mr. John Joy Edson resigned his position both as president of the board of trustees and as a trustee on account of the pressure of private duties. Mr. Job Barnard also resigned. The vacancies on the board were filled by the election of Mr. Charles B. Bailey and Mr. Henry Wells, and Hon. Charles Lyman was made president of the board of trustees. Mrs. A. A. Birney succeeded to the presidency of the Ladies' Aid Association, and Mrs. J. Hale Sypher to the presidency of the Nordhoff Guild. The St. Felicitas Guild was organized with Miss Frances R. Hough as president; Mrs. Frederick Gray, vice-president; Miss Lorena Barber, secretary and treasurer, and Mrs. A. L. Pope as assistant secretary and treasurer. The name was adopted by reason of the fact that St. Felicitas is the patron saint of infants, and the work of the guild is in the free dispensary and the maternal ward.

The active medical and surgical staff during 1896 consisted of Drs. Howard H. Hawxhurst, Henry Krogstadt, Richard Kingsman, T. L. MacDonald, William R. King, Lyman B. Swormstedt, Ralph Jenkins, Reginald Munson, W. F. Corey, C. A. Davis, and Margaret Hislop.

V.

Reference has already been made to the hospital that has always existed in connection with the poorhouse, better known as the Washington Asylum. This hospital occupies a portion of the grounds belonging to the asylum, and is under the general superintendence of Walter H. Stoutenburgh, the intendant of the asylum. The hospital occupies four one-story frame buildings, and for the fiscal year 1895–96 accommodated 811 patients. It is under the immediate direction of a visiting physician, appointed by the Commissioners of the District of Columbia, and two resident physicians. The hospital accommodates patients transferred from the asylum, and also those sent thither by the sanitary officer, some of whom are, at the request of this officer, transferred from other hospitals. On the grounds of the asylum also is a smallpox hospital, an institution which has existed for many years, and which has recently been rebuilt according to modern requirements, under the direction of the health officer, Dr. William C. Woodward.

The staff consists of Dr. D. Percy Hickling, visiting physician; Dr. Stuart Johnson, resident physician, and Dr. Thomas Ehleider, assistant resident physician.[1]

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[1] For a description of the hospital see Appendix A, Report of the Joint Select Committee on the Charities and Reformatory Institutions in the District of Columbia, 1898.

CHAPTER VI.

HOSPITALS FOR SPECIAL CLASSES.

THE Columbia Hospital for Women and Lying-in Asylum was started early in 1866 by subscriptions and donations made by citizens of Washington, and was incorporated by an act of Congress approved June 1 of that year. The object of the institution as stated in its charter is "to found in the city of Washington a hospital and dispensary for the treatment of diseases peculiar to women, and a lying-in asylum, in which those unable to pay therefor shall be furnished with board, lodging, medicine, and medical attendance gratuitously."

The hospital was organized at the instance and mainly through the instrumentality of Dr. J. Harry Thompson. Dr. Thompson, in his first annual report, gives very fully the condition of hospital facilities in Washington and the circumstances attending the organization of Columbia. The report calls attention to the fact that the year 1861 found the capital city of the United States, with a population of over 100,000, without a single civil hospital or dispensary to which the poor of its resident or floating population could apply for medical assistance in case of disease or accident. Such a condition of things was an anomaly in the history of civilized nations.

This need was in part supplied by the Sisters of Charity in founding the Providence Hospital; but the new hospital supplied only a small portion of the demand, for the free beds were occupied mostly by non-residents, leaving the resident sick poor of the District no other refuge than the poorhouse. In numbers of instances, the report states, respectable married women had been confined in police-station houses, sometimes in the public grounds, and in one instance Dr. Miller, one of the oldest physicians of Washington, was obliged to deliver a woman on the steps of the State Department, and then take mother and child in a carriage and go to some of his patients to collect money to procure a shelter for the poor sufferer.

To supply the existing want, Dr. Thompson advocated the establishment of at least two public hospitals which should be national in character and into which no sectarian influence should be allowed to enter. One of these should be a general hospital, with not less than 300 beds, and the other a woman's hospital and lying-in asylum, with at least 100 beds.

The Rev. Dr. A. D. Gillette and Dr. C. H. Hall warmly advocated the enterprise, and it was determined that a hospital should be established for the treatment of the diseases peculiar to women, and in which wards should be set apart for the reception of lying-in patients. Dr. Hall waited upon Secretary Stanton and explained the project; the Secretary at once recognized the necessity and became warmly interested, and gave an order upon the medical department for the supply of 50 beds furnished complete, the conditions of this loan being that "twenty" beds were to be set apart for the use of the wives and widows of soldiers of the United States Army. Surgeon-General Barnes became equally interested and promised all the assistance in his power in the furtherance of the interests of the institution, and accepted the position of head of the consulting staff of physicians.

Thus encouraged, the movers in the project felt justified in appealing to the public for donations and subscriptions. Messrs. C. Knapp, H. D. Cooke, and Fahenstock headed the subscription list, and their example was followed by several other prominent business men.

The building first occupied was the old Hill mansion, the grounds of which covered nearly the whole square on the northwest corner of Fourteenth street and Massachusetts avenue. The property was leased for one year for a rental of $2,000 and for the subsequent two years at $2,500 per annum. The hospital was opened for patients in March, 1866. Application was at once made to Congress for a charter, which was granted. Officers were elected, and at the first meeting of the directors it was decided that application should be made to Congress for an appropriation of $10,000 for the then current fiscal year to assist in the support of the free beds. The amount asked for was appropriated, and thus the institution was placed upon a firm basis.

In his first report Dr. Thompson stated that the hospital had 60 beds completely furnished. Twenty of these were subject to the order of the Surgeon-General of the Army, and of Dr. Horwitz of the Navy. The remaining 40 were to be divided between the resident and non-resident poor of the District. Says the report:

The number of patients applying for admission is steadily on the increase, and before many months the institution will be filled to its utmost capacity. I am exceedingly gratified to report that during the few months we have been in operation we have been successful in relieving many sufferers. Some of them had been for months unable to attend to their domestic duties, and but for this institution must have lingered on, a burden to themselves and their families, being without means to pay for competent medical attendance, and if they could through friends have obtained that they could not have been provided with proper nursing and the necessary food. These patients came into the institution helpless and broken down; they have left it perfectly restored to health and usefulness. The amount of good thus accomplished can not be estimated by dollars and cents; it is incalculable.

No deaths have occurred among any of the inmates of the hospital. Many of the women who have been admitted into the lying-in wards were entirely destitute of clothing for their expected offspring, and some were without a change of clothing for themselves. So far Mrs. A. J. Brown has supplied their wants, but that duty must for the future devolve upon the ladies of the visiting committee.

In estimating the amount of money required for the support of the institution for the ensuing fiscal year, it must be borne in mind that the necessary expenses incurred in a hospital of this character are necessarily proportionally much larger than would be required for the same number of patients in a general hospital.

Most of the patients who are admitted are broken down in constitution, and often require a long course of tonics and stimulants, combined with the most nourishing diet, before they are in a condition to admit of surgical interference. After many operations the entire time of one nurse is occupied in ministering to the wants of the patient. In the lying-in wards we require one nurse to every four beds; this is more than double the number required in a general hospital.

The hospital was placed in charge of twelve directors, the first board being made up of Rev. A. D. Gillette, D. D., president; Rev. C. H. Hall, D. D., and Rev. D. P. Gurley, D. D., vice-presidents; Moses Kelly, treasurer; Rev. J. N. Coombs, secretary; and Dr. C. H. Nichols, Charles Knapp, Rev. G. W. Samson, D. D., W. W. Corcoran, Ancel St. John, Henry D. Cooke, Dr. J. H. Thompson, and Dr. P. J. Horwitz, U. S. N.

The medical and surgical staff was made up of Dr. J. H. Thompson, surgeon-in-chief; Dr. Robert Reyburn, assistant; Dr. Joseph K. Barnes, U. S. A., Dr. Joshua Riley, Dr. Thomas Miller, Dr. A. Y. P. Garnett, Dr. W. P. Johnson, Dr. Grafton Tyler, and Dr. Flodoardo Howard.[1]

A dispensary for women and children was established in connection with the hospital, advice and medicine being furnished free by Dr. Reyburn during two hours of each Tuesday, Thursday, and Saturday.

From its beginning Columbia Hospital was practically supported by the Government. In 1866 an appropriation of $10,000 was made "for the support of the Columbia Hospital for Women and Lying-in Association." The next year the same amount was given "to aid in the support" of the hospital. In 1868 the amount was increased to $15,000, "for the support of the asylum, over and above the probable amount which will be received from independent or pay patients;" but in 1869 the appropriation dropped back to $10,000. In 1870 the appropriation for support was $15,000, and an additional $3,000 was granted for rent and repairs. The next year, in addition to the $18,000, the hospital received $500 for the purchase of surgical instruments.

In 1872 Dr. Thompson furnished the Interior Department with a report of the medical work of the hospital for the preceding five years, giving in great detail a statement of every important case treated during that period, largely illustrated with plates showing the conditions of surgical treatment. It also included a statement of the dispensary service for children and for the eye and ear, which had been adopted by the hospital outside of its charter authority in consequence of the entire lack of hospital facilities for the treatment of these classes of cases. The report was printed, by order of the Secretary of the Interior, in a large quarto volume, which is on file in the medical libraries.

The year 1872 marked the transition from a temporary to a perma-

[1] Toner's Medical Register of the District of Columbia, 1867.

Nurses' Home. Pavilion.

COLUMBIA HOSPITAL FOR WOMEN AND LYING-IN ASYLUM.

nent Government institution. Not only was the appropriation for support placed at $18,300, but also the sum of $25,000 was given for the purchase of the building then and now occupied by the hospital, together with 40,000 feet of ground, and $7,000 additional for alterations and repairs.[1] At the same time it was provided that the title of the real estate shall be vested in the United States for the use of the hospital, and that no part of either the real or the personal property then held or thereafter to be acquired by the institution shall be devoted to any other purpose than a hospital for women and lying-in asylum without the consent of the United States. In addition to the directors already provided for, three others were to be appointed: One Senator, to be named by the President of the Senate, and two Representatives by the Speaker of the House. These directors are appointed for the term of a single Congress, and are eligible to reappointment.

In 1873 a bountiful Congress provided $15,000 to complete the alterations and the refitting of the building, and added $28,500 for support; in 1874 a stone wall was provided for at an expense of $8,500, and $24,000 was given for support; and in 1875 another $25,000 was appropriated for land and $24,300 for support—a remarkable record of munificence.[2]

Dr. Thompson's annual reports were usually quite voluminous and give much information in regard not only to the work of Columbia Hospital but also to that of other charities of the District. In his last report, October 31, 1877, he says:

The utmost care has been exercised to prevent the charities of the hospital being misapplied. There are in all large communities numbers of professional paupers who spend their lives partly in the poorhouse and the rest in public hospitals,

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[1] Statutes at Large, vol. 17, p. 360.

[2] On March 22, 1873, a contract was made with Messrs. Fitch & Fox, agents, for the purchase of the northwest quarter and the southeast quarter of square 25, for $25,000, payable $5,000 in cash, $5,000 on or before August 1, 1874, with 7 per cent interest, and to assume an existing lien of $15,000 with its interest, the hospital to assume the payment for all taxes for street improvements and otherwise after June 30, 1872, corporation taxes prior to that date to be paid by the owner. Payment of $5,000 was made March 26, 1873; the hospital immediately entered into possession, but the deed remained unrecorded until August 4, 1875. Congress at its session of 1875–76 appropriated $25,000 to pay for the property, and provided that the title should be vested in the United States. On May 26, 1876, the Attorney-General refused his approval of the title because of taxes amounting to $6,279.78 remaining unpaid. Several small pieces of the property had been sold for taxes, and in one instance the time for redemption had expired. Gen. O. E. Babcock, president of the board of trustees, wrote to the Secretary of the Interior that the treasurer of the hospital had been instructed in the matter, the instructions being to place on record the deed and the opinion of the Attorney-General. On April 30, 1883, the appropriations for the hospital were stopped at the Treasury Department. The stoppager was removed by Congress, whereupon the Comptroller brought suit against the treasurer of the hospital, John T. Mitchell, for wrongful disbursement. The cost of the land was $20,000; interest, $1,085.83; grading, etc., $3,913.55. The assessed taxes to April 1, 1883, including interest and penalties, was $13,388.88, held by the First National Bank of New York; private parties held tax liens to April,

always preferring the latter, occupying room which would be better filled by more deserving members of the community. This class of persons have been rigidly excluded from this institution, the means placed at our disposal having been barely sufficient to provide for those who were known to be suffering and proved to be deserving.

Most of the patients applying for admission to the surgical wards of the hospital were suffering from diseases which were the result of difficult labors where no competent medical assistance had been provided. Persons outside of the medical profession have no conception of the amount of physical suffering endured by a large proportion of the females belonging to the poorer classes resulting from the malpractice of incompetent attendants.

Lying-in asylums should become more general and the community should be taught that in all cases where they are unable to provide themselves at their homes with competent medical assistance and nursing they should seek the comforts provided in these beneficent institutions.

Much difficulty has been experienced in procuring good nurses. Women of ordinary capacity are not competent for this duty. They should be intelligent, kind, Christian women, in every respect reliable and trustworthy. Before we can persuade this class of women to assume the duties of nurses we must elevate the position, make it one of the greatest respectability, and educate them thoroughly for the work and pay them a fair salary.

As soon as practical I would earnestly recommend the directors to inaugurate in this institution a system of thorough education for nurses, who from time to time, as their terms of service may expire, should receive, if found competent, certificates to that effect, and thus be placed in a position to command the confidence and respect of the community. We have at present every bed in the hospital occupied, and applications for admission are steadily on the increase. Lying-in patients can not be crowded. As much space and ventilation are required for them as for fever patients; no more than a given number can be admitted, and, if the benefits of this hospital are to be extended, more room must be provided.

Dr. Thompson was the surgeon-in-chief from its beginning until September 20, 1877. During the year 1875 the directors effected changes that led to a wider distribution of the authority that up to that time had been exercised almost if not quite wholly by Dr. Thompson. At that time he was placed on a salary of $2,000 a year; the office of assistant surgeon was abolished, and an advisory and consulting board of physicians and surgeons was created. In September, 1876, this medical board made an elaborate report, which was referred to a committee of the directors, which committee reported December 21, 1876. The action of the trustees on this report was such as to cause the medical board to resign in a body on February 2, 1877.[1]

1883, to the amount of $681.14. The treasurer stated that he was advised by the members of the then board of directors and by the surgeon-in-charge, Dr. J. Harry Thompson, who assumed to speak by authority, that no taxes could be collected against the institution. No improper motives were alleged. Congress in 1884 appropriated $5,320 to discharge the liens, and the Commissioners remitted the remainder of the assessment.—*Report of Columbia Hospital for 1884.*

[1] The medical board from January 1876, to January, 1877, consisted of the following: Drs. Johnson Eliot, Flodoardo Howard, A. Y. P. Garnett, S. C. Busey, J. Ford Thompson, W. B. Drinkard, S. A. H. McKim, and C. H. A. Kleinschmidt. On their resignation they were succeeded by Drs. J. O. Stanton, J. A. Richie, Z. T. Sowers, R. W. Reyburn, N. S. Lincoln, L. Mackall, jr., James T. Young, and H. C. Yarrow.

In a volume of essays and addresses published by Dr. S. C. Busey in 1896, may be

upson's letter of resignation, from Carlsbad, August 24, 1877,
up the result of his examinations of hospitals in Europe as

rly twelve years since I started Columbia Hospital. It had a small begin-
by the firm and consistent support of the directors and the liberal assist-
ongress it has grown to be an institution of considerable importance and
all connected with it. When I compare the results of the work done
those of similar hospitals on this side of the water which I have visited
than satisfied with my labors.

ompson was succeeded by Dr. Patrick J. Murphy.

report for 1882, the membership of the board of lady visitors
ears. The board was made up of Miss Margaret Washington,
t; Mrs. Cornelia W. Ferris, secretary; Mesdames S. Phillips
lliam B. Snell, Thomas A. R. Keetch, F. L. Moore, Samuel
John G. Parke, S. Ledyard Philps, William Paret, William T.
, and William G. H. Newman.

port of 1883 notes the extension of the west wing, paid for by
opriation of $10,000 in the act of August 7, 1882. The report
mentions the retirement of the Rev. Dr. William Paret from
idency of the board, caused by his removal from the city. He
eeded by Maj. G. J. Lydecker, who in turn was succeeded in 1886
Rush R. Shippen, who held the presidency for four years, giving
Rev. William Alvin Bartlett, who served from 1892 to 1895,
thaniel Wilson, esq., was elected president.

eful inquiry into the cost of the hospital work was made by the

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paper entitled "The Columbia Hospital and Lying-in Asylum, a Govern-
itution: Its past and present management, 1877." This article was origi-
lished in the October, 1877, number of the Richmond and Louisville Medical
The article was answered in the annual report for the year ending June 30,
to this answer Dr. Busey replied in an article printed in the Richmond and

treasurer, Dr. Charles H. Cragin,[1] in 1886, with the showing that aside from fire insurance, repairs, and permanent improvement the expenses were $15,466.45. With a daily average of 33.45 patients, without reckoning infants or officers and employees of the hospital, the average cost per patient per day was $1.26⅔.

From the pay-patient fund a sufficient amount was accumulated to extend the cottage connected with the lying-in department of the hospital; but the fund was insufficient for the elevator so urgently needed.[2] In 1889, however, Congress was prevailed upon to appropriate $11,300 for improvements; and the same year the pay-patient fund reached $7,981, the highest point in the whole history of the institution.

In July, 1890, "by motion of Hon. J. C. S. Blackburn, of Kentucky, representing the United States Senate on the board of directors, it was voted to employ an assistant surgeon-in-charge to be resident in the hospital and devote his full time and strength to the work."[3] At the same time the salary of the surgeon-in-charge was increased by $200. Dr. J. Foster Scott was appointed assistant surgeon-in-charge.

At the beginning of the year 1891 Dr. Murphy, in consequence of failing health, resigned his position as surgeon-in-charge, and during the summer following he died. For many years the medical profession of the city almost unanimously criticised the organization of the hospital, the medical conduct of which was exclusively in control of the surgeon-in-charge. A large number of distinguished medical gentlemen who successively constituted the board of advisory physicians and surgeons, in their reports to the board of directors, uniformly recommended that the office of surgeon-in-charge should be abolished and the medical conduct of the hospital be placed in the hands of volunteer physicians and surgeons to be selected from the medical men of the District. These recommendations were uniformly disapproved by the directors, and thereupon the then existing advisory board as uniformly tendered their resignations.

After the resignation of Dr. Murphy a committee of directors, consisting of Dr. Louis W. Ritchie, J. D. McChesney, and F. H. Smith, visited the prominent hospitals in the eastern cities for the purpose of ascertaining the status of such hospitals and obtaining advice as to the reorganization of Columbia. The report of this committee resulted in the division of the hospital into gynecological and obstetrical service, each having two visiting physicians in charge, to serve without pay, with a corps of house physicians, each to serve for two years, elected by the directors on the nomination of the visiting board of physicians and surgeons. The house physicians at first received a small compensation, which has since been discontinued. Each house physician serves

[1] Dr. Cragin died in 1887, after long and faithful service as treasurer. He was succeeded by Col. John M. Wilson, U. S. A., who was followed in 1890 by Mr. John D. McChesney, the present treasurer.

[2] The improvement and repairs cost $10,670.39, of which amount $9,813.33 was taken from the pay-patient fund.

[3] Report of President Shippen, 1890.

a period of eighteen months, lives in the hospital, but receives no other compensation. The first board of visiting physicians consisted of Drs. J. Taber Johnson and I. S. Stone, gynecologists, and Drs. J. Wesley Bovée and Louis W. Richie, obstetricians. Changes in the medical board have occurred from time to time, the present board consisting of Drs. I. S. Stone and J. Wesley Bovée, gynecologists, and Drs. Henry D. Frye and John F. Moran, obstetricians.

Mrs. A. L. S. Thombs as matron was succeeded by Miss G. I. Pope as superintendent. The new by-laws provided for the annual appointment of the medical staff and of the house staff, the latter to be nominated by the medical board. The medical staff were to receive pay only from pay patients, and the house physicians were to receive salaries. As a result of the sweeping changes that occurred during the year, the receipts from pay patients fell to the lowest point since 1881, to $2,574.71. In January, 1890, the receipts from this source were but $184; in January, 1891, when the change took place, the amount fell to $136; in February to $82, and in April to $68. In May, however, the new order was well established, and the receipts rose to $288, and in June the amount reached $562.

The new staff were almost as sparing of words as their predecessors had been. In their first report of eleven lines of print they say:

The increase in number of patients during the past six months (the period of our connection with the hospital) and the evidence of increased popularity of the institution, both at home and abroad, are very gratifying and give promise of still further usefulness. We are not, however, insensible to the growing demands for better facilities in order that we may keep the hospital fully abreast with the spirit of scientific progress of the day in treatment of both gynecological and obstetrical cases as well as in pathological research.

We, therefore, recommend that steps be at once taken to secure the erection of a suitable building, on the L street front, in which proper arrangements could be perfected to make this institution compare favorably with any other, both in facilities and in results of surgical and other treatment.

In 1892, Drs. Stone and J. Ford Thompson made to the directors a lengthy report of the gynecological department, showing that 137 cases had been admitted from the dispensary and 192 from other sources. Of these 126 were private patients. Of the whole number 144 cases were surgical and 175 required medical or other treatment. Of the surgical cases 51 were of such a nature as to require capital operations for their relief. After discussing the surgical treatment in the hospital, the report says:

As a large proportion of all patients are sent to the hospital by other physicians for surgical treatment, it necessarily follows that surgical operations are of frequent occurrence. Due regard is, however, paid to all other methods when available as a means of cure. This statement can be easily confirmed by anyone who may be sufficiently interested to visit the institution and observe the methods employed.

In closing this report we again call your attention to the need of better facilities in the pathological department. We have no suitable room for a museum, and many valuable and rare specimens have been lost for want of facilities for their preservation. Again, there is need for a competent microscopist and pathologist.

The internes are daily in attendance upon surgical and obstetrical cases and can not be permitted to do post-mortem work. There is a great need in this city for a hospital (which may with propriety be added to this one) where women may have treatment for hysteria and allied nervous disorders, especially when these diseases are consequent upon or connected with those peculiar to females. Many women are great sufferers from hysteria, insomnia, and neurasthenia. They are not subjects for a hospital like this, nor are they to be confined in an asylum for the insane. They need rest, seclusion, and moral management, as well as proper treatment to promote a cure. It is beyond our ability to provide for this class in the present building. They prove to be unsatisfactory cases, and have a demoralizing effect upon other patients who are fit subjects for this hospital. They in turn are unduly excited or influenced by the usual and unavoidable scenes in a hospital where surgical cases abound. It is earnestly recommended that you may give this matter your attention. In the event of the erection of a new building for surgical work, a part of the present structure could be appropriated to this class of cases.

It affords us great pleasure to again allude to the growth in popularity of the hospital and its increased usefulness as evidenced by the increasing number of patients, especially in the private rooms.

Drs. Bovée and King, the obstetricians, recommended the construction of two (so called) "delivery rooms," and a room where examinations, dressings, etc., can be made, all of which may be built adjacent to, but separate from, the present cottage, and connected with it by a closed corridor. Such rooms, separated from the lying-in rooms, and supplied with suitable appurtenances for artificial delivery and obstetrical operations, they said, are a part of every well-appointed lying-in hospital. The beds and operating table should be specially constructed for the purpose, upon the latest and most approved plans. The erection of a small building, containing such rooms and connected with the present building, would also render convenient the construction of better bathing facilities for the colored patients of the lying-in department than now exists.

The report for 1893 shows receipts from pay patients to the amount of $5,238; the two new delivery rooms had been provided, with bathrooms, closets, hot and cold water and good facilities for heating, an improvement that placed the hospital maternity on a thoroughly good basis. The gynecological department also received a new equipment of model surgical beds. A training school for nurses had been established and the first class was graduated. The next demand was for a nurses' home; and this need was supplied during the next year by an appropriation of $10,000. Owing, however, to the depressed condition of business the pay patients receipts decreased to $3,395, while the number of free patients increased; and in 1895 the income from pay patients was further reduced to $2,089. In this connection the observations of the superintendent, Ella Underhill, in her report for 1895 are pertinent: "Careful observation," says Miss Underhill, "has shown a decided indisposition on the part of many patients to pay even a small sum weekly, although circumstances point to their ability to do so. In this way many beds are taken up by people who might pay, thereby occupying other than free beds, increasing the income of the hospital, and

THE CHILDREN'S HOSPITAL.

epriving the really poor people of room which would otherwise be heirs. This is an established fact, but one which it is difficult to bviate."

In the report for 1895 also is the first statement made in regard to he school of nursing, then numbering 30 nurses, 18 under instruction t the Children's Hospital and 12 at Columbia. Out of 180 applicants 1 1895 but 22 were accepted. Lectures were delivered on obstetrics y Dr. A. F. A. King, on gynecology by Dr. D. S. Stone, on general urvey by Dr. J. Wesley Bovée, on anatomy by Dr. J. Foster Scott, on hysiology by Dr. G. N. Acker, on diseases of the eye by Dr. Swan M. Burnett, on diseases of children by Dr. S. S. Adams, on special emer-encies and fevers by Dr. J. Van Rensselaer, on materia medica by Drs. Stoutenburgh and Barton. Applications for entrance came from llinois, Texas, Canada and other distant localities, but few from the ection near Washington. Nurses from Boston, Philadelphia, and Bal-imore applied for entrance to the post-graduate course in obstetrics. The graduates numbered 28, two of whom gained enviable reputations n smallpox work, two others obtained responsible positions in hospi-tals, and the remainder were doing private duty.

II.

When, in 1869, a department of diseases of infancy and childhood was established in connection with the Columbia Hospital Dispensary, the fact that cases of disease that could not properly be treated in a dispensary were so frequent as to impel Dr. S. C. Busey, then con-nected with that hospital, to consider the propriety of an attempt to establish in Washington a children's hospital. In March, 1870, Dr. Busey interested Dr. F. A. Ashford in the project, and they called in Drs. William B. Drinkard and W. W. Johnson. At the suggestion of Dr. Drinkard, the board of lady managers of the Washington City Orphan Asylum were interested and a committee of that body, consisting of Mesdames S. P. Lee, J. Zeilin, William Stickney, J. C. Harkness, A. J. Brown, A. E. Perry, H. S. Reynolds, and Miss Margaret Washington, was appointed to confer with the above-named doctors. The confer-ences were held at the home of Mrs. A. J. Brown, and the Misses Vir-ginia and Sally C. Miller and Miss M. L. Thompson also were present. Drs. J. C. Hall, Thomas Miller, W. P. Johnson, C. H. Liebermann, and Grafton Tyler were interested in the subject.

Dr. Busey says that "from the time when he was first advised of our bject, Dr. William P. Johnson manifested the liveliest interest in its uccess, and exercised an active and controlling influence in perfecting he organization. There was no lack of effort on the part of any one f these five [last named] gentlemen, but Dr. Johnson's enthusiasm nd earnestness assured success."[1] The laity was represented at first y Mr. F. B. McGuire, and afterwards by Messrs. J. C. Kennedy, M. W. alt, S. V. Niles, Joseph H. Bradley, jr., and Rev. A. N. Zevely. On

[1] Dr. Busey's Reminiscences, p. 118.

November 25, 1870, those interested met at the office of Dr. W. P. Johnson to form a preliminary organization, and at a public meeting held at Lincoln Hall December 9 the organization was completed by the selection of corporators and the election of a board of directors. The corporators finally adjourned after adopting the report of the committee to name trustees.

The "Children's Hospital of the District of Columbia" became incorporated on December 2, 1870, under the general incorporation law of the District; and on June 24, 1884, an amended certificate was recorded, under the provisions of section 3, of the amendatory act approved April 23, 1884, by virtue of which the hospital became incorporated for 1,000 years. The object stated was "to establish and maintain in the District of Columbia a hospital and dispensary for the gratuitous medical and surgical treatment of indigent children under the age of 12 years, without distinction of race, sex, or creed;" but it was provided that sick and disabled children, whose parents or guardians may be able and willing to defray the expense of care and treatment, in whole or in part, may be admitted to the hospital upon such terms as may be prescribed by the rules of the board of directors.

Dr. Busey relates that at his first interview with Dr. James C. Hall,[1] he indicated his willingness to contribute means, but declined on account

[1] Dr. James Crowdhill Hall was born in Alexandria, Va., in 1805. His father having died, his mother removed to Washington and married Dr. Laurie, a distinguished clergyman. Dr. Hall was graduated at Jefferson College, Canonsburg, Pa., and studied medicine with Dr. Thomas Henderson, one of the founders of the Medical Society of the District of Columbia, and a surgeon in the United States Army. He subsequently graduated in medicine from the University of Pennsylvania in 1827, and immediately entered Blockley Hospital as a resident physician, and there familiarized himself with the new methods of investigation and physical exploration then being introduced. "He was a skillful, conscientious, and benevolent physician, more willing to render service to the suffering poor than to receive remuneration; as a citizen he was always ready and willing to discharge every duty of good citizenship. * * * He was charitable, just, and honorable. * * * Besides numerous personal charities during his lifetime, his bequests to the Washington City Orphan Asylum and the Children's Hospital will be held through many years to come in commemoration of his benevolence." He was the family physician of every President of the United States, beginning with Jackson and ending with the death of Lincoln's son. For many years he attended the families of every justice of the Supreme Court; through many administrations the families of every member of the Cabinet; and for a long series of years every foreign legation, and every prominent Senator and Member of the House of Representatives employed his services. For twenty years after his retirement from active practice his professional advice was constantly sought by both physicians and laymen. In 1830 he was the professor of surgery in Columbian University, and was a contributor to the American Journal of the Medical Sciences in 1828. About 1850 he was tried by the Medical Association for neglecting to make charges and failure to send bills for professional services. He pleaded guilty, and promised reformation! An examination of his books disclosed the fact that his annual receipts exceeded those of any other Washington physician, all of which had been paid without the presentation of a single account. In 1880, he died at the age of 75.—*Dr. Busey's Reminiscences*, pp. 105, 147–152.

CHILDREN'S HOSPITAL--REAR VIEW.

CHILDREN'S HOSPITAL—RECEPTION ROOM.

ıealth to hold any office in the institution; and only after a itation from the citizens who assembled at the office of Dr. ıson, on November 25, 1870, did he consent to unite with the personal effort to complete the organization. How deep his ıs may be known by the fact that the proceeds of his bequest 25, 1897) amount to $76,395. This bequest appears on the ıe hospital in 1881. The moneys are invested in real-estate in the city of Washington; the average annual interest for ɔn years has been $3,954.90, and under the terms of the will come from the funds is available for the use of the hospital.[1] home of the Children's Hospital was a small building on the Thirteenth and F streets, with accommodations for only 12 ı matron in charge accomplished all the necessary work. In lding with more ample accommodations was rented on E ıe number of children seeking admission, however, increased that in 1875 the present site was purchased and the main as erected with an east wing extension, which was ready for in 1878. In 1890 the west wing was added and the central 'as enlarged, thus completing the original design of the

board of directors of the hospital was composed of Dr. J. C. Grafton Tyler, Dr. Thomas Miller,[3] Dr. C. H. Liebermann, Johnson, J. C. Kennedy[4] (president), A. E. Perry (vice- M. W. Galt, Gen. E. D. Townsend, S. V. Niles, J. H. Brad- D. Clements, J. C. Harkness, F. B. McGuire (treasurer), A. S. Semken, S. H. Kauffmann (secretary), L. J. Davis, Fitzhugh J. Fox. The physicians on the board formed the consulting ıff; and the attending physicians were Drs. Busey, Ashford, and W. W. Johnson. Dr. Ralph Bell was the house phy- . G. W. V. Hickman, the assistant, and Miss A. C. Macgruder, ı. Mrs. M. W. Galt was the chairman of the board of lady

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W. S. Thompson, treasurer, to Hon. James McMillan, chairman, dated

re No. 272, bounded by W and V and Twelfth and Thirteenth streets ıs 98,268 square feet. It was purchased for 16 cents a foot, or $15,722.88, 00 in cash and the remainder within a year. The building was erected ıder the direction of a building committee of which Mr. John C. Hark- "the most experienced and reliable architects and builders of the city," ıairman. The plan selected had the approval of Dr. John S. Billings, had studied the subject of hospital construction both in this country pe. The building was constructed by J. G. Naylor, the contract price ı. The total cost of the building was $23,662.22. Of this sum Congress $10,000, and $10,000 was raised by mortgage. Dr. James C. Hall gave a friend," through Dr. Ashford, gave $1,000.

died in 1873, and was succeeded by Dr. Johnson Eliot. Dr. W. P. Johnson

Niles became president on the death of Mr. Kennedy in 1873.

nal report, 1872.

During the first ten month 94 patients were admitted to the hospital and 99 were treated in the dispensary, besides 125 vaccinations. Both white and colored children were treated. The medicines were given by Messrs. Kidwell & Son, J. W. Nairn, W. S. Thompson, G. G. Simms, and I. L. Bates, all druggists who were interested in the work. The receipts for the first year were $5,138.50, of which $1,205.46 came from theatrical performances; $974.20 from the corporation of Washington: $229.89 from a children's fair, and the remainder from contributions. By the gift of $100 each, the following persons endowed beds for one year: W. M. Galt, Gen. J. G. Parke, G. W. Riggs, Miss Coleman, W. W. Corcoran, Mrs. Margaret C. Freeman, J. C. McGuire. Also a bed was endowed by the Protestant Orphan Asylum.

The first meeting of the ladies as a board of visitors was held at the hospital, at the corner of F and Thirteenth streets, on February 8, 1871. The question of ways and means being presented, on motion of Mrs. Marshall Brown, it was voted that each lady present should pledge herself to furnish a bed with 3 pairs of sheets, 2 blankets, 2 pillowcases, and a spread, or an equivalent in toweling, tablecloths and other requisites. Thus 12 beds, the required number, were furnished, as well as the necessary towels, etc. The furniture was given in the same way Soon subscriptions of money were secured, and to make certain of the amount required, each member of the board made herself responsible for five annual subscriptions of $5 each. Also the ladies held festivals and entertainments, the proceeds of which, to the amount of $10,000, went into the building fund.

From the first the ladies provided for daily visiting committees to have a systematic oversight over the work of the hospital. They fined their members for absence from board meetings and in this way raised about $150 a year, first to support a diet kitchen and then to build a porch. A committee was charged with auditing and examining the accounts of the matron, and to exercise a minute control over the domestic management. In this way the board has united efficiency and economy.[1]

In his report for 1874, President Niles states that 120 children had been treated in the hospital and 883 in the dispensary. Nine-tenths of these children were in destitute circumstances, and there was no other institution in the District, either public or private, where this class of unfortunates could be treated. A young physician had been employed to attend in their homes poor children unable to be removed to the hospital;[2] a course of clinical lectures was proposed, and there was a surplus of $3,453.53 in the treasury, besides $2,000 in certificates of indebtedness issued in favor of the hospital by the District Government

[1] Report of Mrs. James B. Ricketts, president, and Mrs. John C. Kennedy, secretary of the board of lady visitors, to Reginald Fendall, secretary of the board of trustees. (See annual report for 1880.)

[2] Of this class of patients 237 were treated during 1875 by Dr. A. C. Adams.

CHILDREN'S HOSPITAL—SURGICAL WHITE WARD.

CHILDREN'S HOSPITAL—SURGICAL COLORED WARD.

d worth about $1,360; Congress had been appealed to for an annual ›propriation of $5,000 on account of the large number of nonresident ›tients treated.[1]

From the beginning of the hospital the raising of money and the pervision of expenditures was in charge of the board of lady visi-rs, and in each annual report acknowledgment of their indispensable ›rk is made in most heartfelt manner. In 1879 it was found that the ›tual expense of maintenance in the new building was a little less than . cents per day, the daily average of patients being 30.9. Including terest, improvements, salaries, and all other expenses, the cost was ss than 53 cents a day, a fair average for to-day.

On June 9, 1884, the original incorporators of the hospital, their ›sociates and successors, accepted the provisions of the act of April ›, 1884, amending the Revised Statutes of the United States relating › the District of Columbia, and a reorganization was effected. During ›84 Dr. Grafton Tyler, one of the original incorporators and directors ' the hospital, and Dr. Johnson Eliot, chairman of the board of hos-ital administration, died. Both were eminent in their profession and ›joyed the respect and confidence of the community, and were largely ›strumental in making the Children's Hospital a success.

In 1884 the management of the hospital felt the need of enlarging ›e institution, and called on Congress for an appropriation of $10,000 ›ward the construction of the west wing, plans for which had been dopted. During this year the treasurer, Mr. F. B. McGuire, felt ›bliged by the pressure of his private business to resign a position the luties of which he had discharged from the organization of the hospi-al. He was succeeded by W. S. Thompson, who has continued to fill ›he office to the present time. It may be proper to say here that the ›nnual reports of the president, Mr. Niles, and the treasurer, Mr. McGuire, are models in respect to the information they give as to the ›ctual workings of the hospital. The reports of the president of no ›ther institution in the District of Columbia excel those of Mr. Niles in the manifestation of a direct personal interest in, and knowledge of, the workings of the institution with which he was connected. Limited as the resources of the hospital have been at various times, and great as has been the pressure on the treasury, yet it has been the invariable ›ractice of the institution never to allow the expenditures to exceed he receipts, but on the contrary the rule has been to have a small bal-ince to provide for contingencies.

The president's report for 1886 records the fact that during the first

[1] Of the 4,233 patients receiving surgical and medical treatment from February 11, 70, to November 30, 1875, 1,709 were residents of States. Of this latter number l came from Maryland, 585 from Virginia, 95 from Pennsylvania, and 92 from New ›rk. The amount realized from the certificates during 1875 was only $630.53. The ›nnual Congressional appropriation of $5,000 began in 1874–75 and has been con-nued since that date. The trustees looked forward to the time when the hospital ›uld be self-supporting.

sixteen years of its life the hospital provided for 20,862 children, and of this number 70 per cent were cured or improved in health. The major portion of the revenues of the institution was derived from charitable bequests and donations from benevolent citizens. The attending physicians, at great sacrifice of their pecuniary interests, had labored diligently to bring success in their department; and the board of lady visitors was spoken of as the mainspring that had given to the hospital its practical force and effectiveness in the matter of material aid.

At the annual meeting held December 5, 1887, the by-laws of the hospital were amended in order to render eligible for election as directors all residents of the District of Columbia without distinction of sex or profession or vocation. A change was made in section 2 of the original certificate of incorporation by striking out the word "male," and, also, the words "five of whom shall be regular practitioners of medicine," so that the first clause of the section now reads "the government of the institution shall be vested in a board of twenty directors."

Also the by-laws were amended so as to provide that the directors at their annual meeting in December shall elect from the regular practicing physicians in the District of Columbia one consulting physician to serve for five years, and until his successor shall have been chosen, and a medical staff to consist of five consulting physicians and four attending physicians.

During 1887 Mr. Niles, the president of the board of trustees, died, and was succeeded by Mr. M. W. Galt,[1] who had been vice-president of the hospital since its beginning. Also the hospital lost the services of Mrs. Fannie Ricketts, the president of the board of lady visitors, by reason of her removal from the city. Mrs. Ricketts was succeeded by Mrs. Robert K. Stone.

In 1888 the revolution that had begun in hospital management throughout the country made itself felt in the Children's Hospital. The report of the board of lady visitors for this year expresses pleasure in the fact that the system of nursing adopted by the board of directors at the suggestion of the ladies had thus far proved a success. "Trained nursing," they say, "inaugurated in this country at the Bellevue Hospital in New York has been extended into the hospitals of nearly all the principal cities of the United States. The need of it in every hospital is self-evident. In accordance with the plans submitted by a member of the board of visitors, a graduate of the Bellevue School was appointed superintendent of nursing and matron of the hospital. A trained nurse was placed at the head of each ward, having under her three pupil urses. These nurses serve alternately in the white and colored wards. The pupils pledge themselves to remain for one year, and are to receive such instruction during that time as will fit them, after passing an examination by members of the medical board, to take charge of hospital wards or to nurse in private families."

[1] Mr. Galt died February 23, 1898.

CHILDREN'S HOSPITAL—MEDICAL WHITE WARD.

CHILDREN'S HOSPITAL—MEDICAL COLORED WARD.

CHILDREN'S HOSPITAL—BABIES' WARD.

CHILDREN'S HOSPITAL—GALT ROOM.

In 1889, to meet the cost of improvements demanded by the growth of the hospital, the board authorized the giving of a promissory note for $30,000 at five years, with interest at 5 per cent, payable semiannually, and secured by a deed of trust on the hospital ground and building. At this time the land and building were valued at $200,000, all of which, with the exception of the appropriation by Congress of $10,000 toward the erection of the building, came from private contributions.[1]

The additions to the hospital were completed during the year 1890, and the board of lady visitors were able to supply the beds, bedding, and other necessary appliances at a cost of over $3,000. Through the efforts of a special committee, aided by Mr. R. Ross Perry, the former chairman of the executive committee, Congress was induced to increase the appropriation for the Children's Hospital from $5,000 to $7,000. The sum of $2,000 was paid on the debt of $30,000. During this year the president calls attention to the fact that of the $1,141.73 expended for medicines, the dispensary used $761.61 worth, 2,600 patients being treated in that department. During the year several cases of scarlet fever occurred in the wards, and for a time the reception of patients was discontinued. The patients affected, however, were isolated in the building itself, and the spread of the disease was prevented. At this time, also, the hospital received contributions of $1,000 each from Messrs. C. C. Glover, R. Ross Perry, and B. H. Warner, and $500 from Mr. Samuel Norment. The children of Annapolis contributed $200, and numerous Sunday schools furnished beds at a cost of $15 each.

During 1891 the training school for nurses was organized, and the members of the medical staff gave regular lectures during the fall and winter months. In 1892 an arrangement was effected with the Columbia Hospital for an exchange of nurses and consequent training in both hospitals, the board to grant diplomas to those nurses who filled the regular time of service and passed a satisfactory examination. The first commencement of the joint school of nurses was held at Columbia Hospital August 7, 1893, when 5 students were graduated. Dr. J. W. H. Loveloy, of the Children's Hospital, acted as chairman; Mr. F. H. Smith, of the training school executive committee, delivered the introductory address; and an address was also delivered by Dr. Charles Sutherland, late Surgeon-General United States Army.

In 1894 an infants' ward was started, and a teacher was employed to give the nurses lessons in diet cooking, the expense of the teacher being met by Mrs. Leiter and the Daisy Chain Guild. In this year Mrs. R. K. Stone retired from the presidency of the board of lady visitors and her place was filled by Miss Virginia Miller, who for twelve years had been treasurer of the ladies' board. The report of the ladies' board for 1895 calls attention to the fact that twenty-five years before the Children's Hospital had been started in a small building, with

[1] One of the main resources of revenue relied on by the ladies for the support of the hospital has been the annual Charity Ball, the receipts from which, while varying from year to year, have rarely fallen below $1,000

accommodations for only 12 beds. At the end of a quarter of a century the hospital had grown until there were 102 beds, 58 of which were for medical and 44 for surgical cases, besides an additional ward for infants with 12 beds, all requiring a force of 16 nurses in training, besides the head nurse. Of the original members of the ladies' board six remained.[1]

III.

Like many another, if not most, medical charities, the birth of the "Central Free Dispensary" was presided over by young medical men. The recently graduated physician has almost always an abundance of one thing, fortunately for him. If he had not enthusiasm, and plenty of it, his lot would be for the most part a very unhappy one. He loves science; he is strongly moved by his humanitarian instincts; he is ambitious that the one shall have all the benefits to be had of the other, and he is anxious to lend himself as the intermediary.[2]

Some time in the spring of 1871, Dr. G. L. Magruder, fresh from a service at the Columbia Hospital, realized the necessity of extending

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[1] These six were Mrs. S. H. Kauffmann, Mrs. Z. C. Robbins, Mrs. M. A. B. Kennedy, Mrs. H. A. Willard, Mrs. William Wall, and Mrs. F. B. McGuire.

The officers of the Children's Hospital since its beginning are as follows:

Presidents: J. C. Kennedy, 1870–1873; Samuel V. Niles, 1873–1887; M. W. Galt, 1887.

Vice-presidents: A. E. Perry, 1870–1875; M. W. Galt, 1875–1887; F. B. McGuire, 1887.

Treasurers: F. B. McGuire, 1870–1885; W. S. Thompson, 1885.

Secretaries: S. H. Kauffmann, 1870–71; L. J. Davis, 1871–72; Edward Temple, 1872–1875; James H. Saville, 1875–1879; Reginald Fendall, 1879–1884; Robert C. Fox, 1884–85; Blair Lee, 1885–1888; F. L. Moore. 1888–1890; W. P. Young, 1890.

Consulting physicians: Drs. J. C. Hall, 1870–1880; Grafton Tyler, 1870–1884; Thomas Miller, 1870–1873; C. H. Liebermann, 1870–1878; W. P. Johnson, 1870–1877; Johnson Eliot, 1873–1885; A. Y. P. Garnett, 1877–1888; N. S. Lincoln, 1878; J. W. H. Lovejoy, 1880; Daniel R. Hagner, 1884–1888; W. W. Johnson, 1885; A. F. A. King, 1888; D. Webster Prentiss, 1888.

Attending physicians: Drs. S. C. Busey, 1870–1885; F. L. Ashford, 1870–1883; W. B. Drinkard, 1870–1877; W. W. Johnson, 1870–1884; W. V. Marmion, 1877–1887; J. Ford Thompson, 1883; G. N. Acker, 1884; A. F. A. King, 1885–1888; F. B. Loring, 1887–1890; Samuel S. Adams; 1888; Swan M. Burnett, 1890.

Presidents of board of lady visitors: Mrs. M. W. Galt, 1870–71; Mrs. Charles Alexander, 1871–1877; Mrs. James B. Ricketts, 1877–1887; Mrs. Robert K. Stone, 1887–1894; Miss Virginia Miller, 1894.

Matrons: Miss A. C. Magruder, 1870–1874; Miss Davis, 1874–75; Mrs. Sarah Towers, 1875–1884; Miss A. Meyers, 1884–1888; Miss M. L. Rogers, 1888–1889; Miss G. B. Chamberlin, 1889–1891; Miss Mary L. Rogers, 1891.

[2] An historical sketch of the Central Dispensary and Emergency Hospital was prepared by the order of the board of directors by Dr. Swan M. Burnett, and was printed in the report of the hospital for the year 1894. The article here printed is condensed from the one prepared by Dr. Burnett. As is perhaps natural, there is some dispute as to the facts in relation to the origin of the hospital. Such being the case, it has seemed best to the editor to print Dr. Burnett's "official" account and to refer the reader to Dr. Busey's Reminiscences, pp. 219–221, and to "An Open Letter to Dr. Samuel C. Busey," by H. H. Barker, M. D., printed in 1895.

THE CENTRAL DISPENSARY AND EMERGENCY HOSPITAL.

to those afflicted with all ailments the advantages of treatment which were there offered to those suffering with the diseases peculiar to women. It was at his call, on or about April 15, that five other young physicians equally enthusiastic met, and with him formally organized the Central Dispensary. These five young men were H. H. Barker, Austin Brockenbrough, Robertson Howard, P. T. Keen, and Ralph Walsh. The institution that they then founded was the only general dispensary service in the city at that time, and remained, until recent years, the only place for outdoor relief open to the poor of Washington, regardless of age, color, or sex.

The majority of these men were alumni of the medical department of Georgetown College, and this institution most generously allowed them the use of the college building at the corner of Tenth and E streets for the beginning of their enterprise. The college gave them the free use of two rooms, with counter and the shelving for drugs. Dr. Magruder was the first treasurer, and from an examination of the book of subscriptions it appears that on April 8 W. H. Baldwin is the first recorded name, with a donation of $1. Dr. James E. Morgan and O. A. Daily follow with the same sum. The whole amount of donations, "principally by physicians and druggists," as the first report says, was $150. This, with $300 which was appropriated by the legislature of the District (but which realized only $278), was the sum total expended during the year ending May 7, 1872, for the treatment of 511 patients.

During the first year several changes took place in the attending staff. Drs. Keen and Brockenbrough having removed from the city, Drs. Boarman and Ross were elected to fill these vacancies. The board of directors of the dispensary for the first year was as follows:

Consulting medical board.—Drs. Joshua Riley, Noble Young, L. Mackall, jr., J. Howard, T. Eliot, W. G. Newman, J. E. Morgan, C. H. Cragin.

Attending staff.—Drs. G. L. Magruder, surgery; H. H. Barker and Robertson Howard, diseases of women and children; R. S. L. Walsh, eye, ear, and skin; C. V. Boarman, heart, throat, and lungs; W. H. Ross, head and abdomen; Lawrence Wilson, dispensary physician; E. C. Morgan and J. S. Stephenson, assistants to dispensary.

The directors (in addition to the medical staff) were: N. P. Chipman, John C. McKelden, George P. Fisher, M. G. Emery, J. Carroll Brent, W. J. Murtagh, Jesse B. Wilson, J. W. Thompson, J. W. Barker, Arthur Shepherd, George H. Plant, B. H. Stinemetz, W. M. Shuster, W. M. Morrison, and D. W. Middleton, jr.

In the early part of 1874 an effort was made to establish a German dispensary for the benefit of the German element of our population, but principally through the efforts of Dr. George M. Kober and Dr. Kleinschmidt, the scheme was abandoned and the funds that had been subscribed and collected (about $800) and the influence of the originators were thrown in favor of the Central Dispensary.

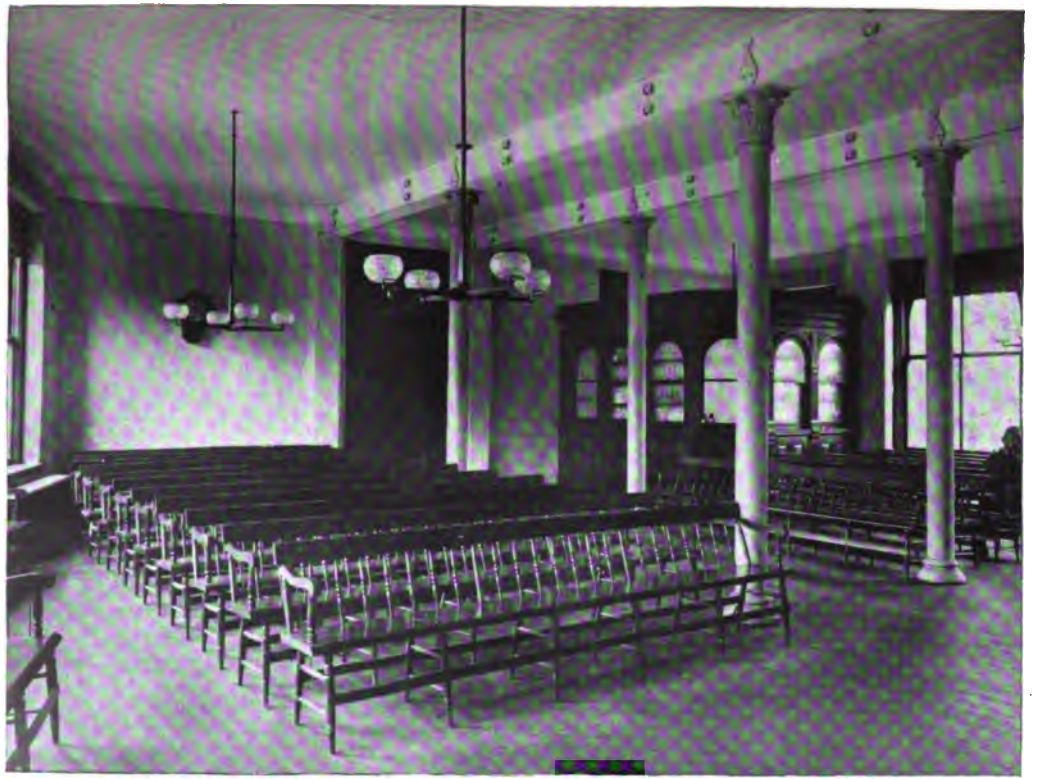
The third annual report (there does not seem to have been a second),

published in January, 1875, gives a summary of the work done during the first three and a half years of the existence of the dispensary, which was 2,236 new cases and a total of 7,425 prescriptions compounded. The members of the attending staff at that time were: Drs. Barker, Boarman, Ross, Briscoe, Kleinschmidt, and Walter.

The dispensary from the beginning laid itself out on the broadest lines along which it proposed to develop and has persistently refused to lend itself to the furtherance of any party or faction. It represented the medical profession as a body and belonged to suffering humanity without regard to sex, creed, or color. While it enjoyed the hospitality of the medical department of Georgetown University, it was not considered, even by the university itself, as in any way a part of that institution. The time soon came when its growing importance and widening scope raised the question in the minds of some as to the propriety of a public charity of its comprehensive character longer remaining under the ægis of some one medical school. It was therefore resolved in 1876 to make the bold venture of removing to quarters of its own, and these were found in a wooden building No. 514 Sixth street NW. At this time a reorganization, or rather a perfected organization, was effected, and the first officers of the board of directors were as follows: B. U. Keyser, president; A. S. Solomons,[1] vice-president; T. J. Durant, secretary; D. W. Middleton, jr., treasurer. The attending staff was: H. H. Barker, diseases of women; W. C. Briscoe, surgery; G. L. Magruder, children; W. H. Ross, heart and nervous system; Ralph Walsh, eye, ear, throat, and lungs; John Walter, general diseases, and Swan M. Burnett, general assistant to the staff. There was also a house physician and three assistants. There was also a board of lady visitors, of which Mrs. William Dennison was president; Mrs. D. R. McKee, vice-president, and Miss Solomons, secretary. The hospital year was made to end March 31, and on that day in 1878 there had been treated for the preceding twelve months 3,677 new patients.

During this year, 1878, some changes were made in the staff, on account of the removal of Dr. Ross to Mexico. Dr. Walsh gave the diseases of the eye to Dr. Burnett, who was then made a full member of

[1] Adolphus S. Solomons was born in New York City, October 26, 1829. His father, John Solomons, was a native of London, and his mother and her ancestors were Americans. Mr. Solomons was a corporate member of the first training school for nurses established in the District of Columbia; also treasurer of the Humane Society; president of the Night Lodging House Association; vice-president of the National Red Cross Association, and was appointed by President Arthur to represent the United States at the Red Cross Congress held in Geneva, Switzerland, in 1884, and was elected one of its vice-presidents; chairman of the Associated Charities of the District of Columbia; vice-president of the Emergency Hospital, and is now a member of the board of visitors of the Providence Hospital; a director of the Columbia Hospital for Women, and of the Garfield Memorial Hospital, of which he was the chairman of the committee on ways and means, and succeeded in providing means for its establishment. He is now the general agent of the central committee of the Baron de Hirsch Fund.—EDITOR.



CENTRAL DISPENSARY AND EMERGENCY HOSPITAL—DISPENSARY ROOM.

ɜ staff. Diseases of the heart were transferred to the throat depart-
ıt, and nervous diseases to general diseases.

[n the early part of 1879 was given the first presentation in this
ıntry by amateurs of the opera of "Pinafore," for the benefit of the dis-
ısary, which was at that time on the point of dissolution for want of
ıds. This performance netted over $1,000, and its success was largely
e to the energy of Miss Waite, who a short time before had begun her
ınection with the institution, for which she has ever since been such a
ılous and untiring worker. There were many troublous and perilous
ıes in those days, and many of those interested feel that but for the
ıor without stint, the interest that never flagged, and the enthusiasm
ıich knew no obstacles, of her and two or three other faithful friends
ɜ institution would exist only as a pathetic memory. It then received
t a pittance from the District and was almost wholly dependent upon
luntary contributions.

[t was in the beginning of 1880 that the first patient was admitted into
ɜ dispensary for operation and treatment. Up to this date operations
re either done at the dispensary and the patient afterwards sent
me, or the operations were done at the houses of the patients, which
re usually the veriest hovels. On December 22, 1879, the board,
ough the recommendation of the staff and at the request of the
ıthalmic surgeon, granted the sum of $7.50 to fit up a cuddy-hole in
ɜ attic for the reception of cases for operation. The first patient
ten in was a woman for the operation of iridectomy. About the
ne time the ophthalmic surgeon held the first Sunday clinic given in
ɜ institution before a class of students, though students had always
ɜn welcome to attend the daily services of most of the directors of
nics. Thus early did the management of the dispensary recognize
ıt one of its prime functions was educational. Some years after
82) regular clinics were given for two seasons by all the members of
ɜ staff.

As far back as the summer of 1880 the question of establishing an
ɜident hospital in connection with the dispensary was agitated among
ɜ staff. They recognized fully the crying need of such a hospital in
ɜ center of the city, and felt that upon them devolved the duty of
tiating the enterprise. It is true they had no money to back up such
undertaking, but they had what is sometimes more than its equiva-
ıt—a conviction that it was the thing to do and the energy and deter-
nation to do it. It is recorded that at a meeting of the board on the
th of November, 1880, "Dr. Burnett reported that the staff had,
ough a committee (of which he was chairman), conferred with Mr.
ınt, District Commissioner, and Major Brock, chief of police, in refer-
ce to the establishment in connection with the dispensary of an
ıergency[1] hospital. These gentlemen regarded the scheme favor-
ly and a committee was appointed from the board of directors to

The name "Emergency," I think, was given by Mr. B. U. Keyser, at that time
retary of the board.

take charge of the matter." The committee consisted of Messrs. Drew, Wilson, Keyser, and Drs. Howard, Reyburn, Barker, Walsh, and Burnett.

Soon after this a project was started by the Commissioners and chief of police for the erection of a building at the corner of Ninth and K streets, to be used conjointly as a dispensary and police station. After a good deal of discussion of systems and plans the project was finally abandoned. This seems to have been a year fruitful of changes, for the question of being incorporated was brought forward[1] and after much opposition from some of the older and more conservative members of the board this was finally agreed upon, though it was not until 1882 that the articles of incorporation were filed. The committee on incorporation was Messrs. Durant and Duncanson and Dr. Walsh.

The old quarters on Sixth street were getting more and more inadequate for the work of the dispensary, and the establishment of an emergency hospital, which had been resolved upon, was an impossibility in that building. A committee was therefore appointed to take the matter of another and more suitable building into consideration, and finally at a called meeting on May 28, 1881, "Dr. Burnett stated the object of the meeting to be the consideration of the subject of the removal of the dispensary to Tenth street, opposite the Washington Gaslight Company's office, and the establishment of an emergency hospital, and on motion it was ordered that the dispensary be removed to 416 Tenth street as soon as a lease of the building can be procured, for the purpose of establishing, as soon as possible, an emergency hospital in connection with the dispensary." Dr. Magruder was appointed a committee of one to secure the building. Messrs. Drew and Duncanson were constituted a committee to solicit donations for supplies and furniture for the emergency hospital.

On June 30, 1881, Messrs. Barker and Drew and Drs. Burnett and Magruder were appointed a committee to take charge of the removal to 416 Tenth street on or before July 1.

On July 8, 1881, "it was ordered that the Commissioners of the District and the major of police be notified that the Emergency Hospital is now ready to receive and care for patients."

The equipment for an emergency hospital was the scantiest possible, consisting of two cots in a back room of the building. There was a resident physician and one assistant, who lived in the house, but who took their meals outside.

From the beginning there has been a hearty cooperation and the utmost harmony existing between this institution and the police department. Before the Emergency Hospital was established many, perhaps a majority of the minor accidents (or those supposed to be trivial), were

[1] At a meeting of the staff November 5, 1880, "Dr. Burnett offered the following resolution: '*Resolved*, That in the opinion of the staff it is absolutely necessary for the good of the institution that we be immediately incorporated.' This resolution was ordered to be communicated to the board."

taken to the police stations and the police surgeon sent for, or, in case he could not be found, a doctor of some kind was called in. Much unnecessary suffering was caused by this, and the consequences of neglect (often unavoidable) were sometimes disastrous. None were so well aware of this as the police officers themselves, and to-day in each member of the force one will find a stanch friend of the Emergency Hospital. All the while the dispensary and hospital was on Tenth street, and even after its removal to Twelfth street, and before the ambulance service was established, the resident surgeon was allowed to go to the first precinct station to attend persons brought there by the force that needed medical or surgical attention.

It was the rule adopted by the staff at the time of the starting of the emergency department that the executive officer for the month should take charge of the emergency work during that period and be called when the resident physician did not feel that he should assume the responsibility of treatment. By courtesy, however, some members of the staff afterwards waived this privilege in favor of the director of the surgical clinic of the dispensary.

On December 9, 1881, Dr. Ralph Walsh resigned and Dr. E. C. Morgan, whose connection with the dispensary dates back to its origin, was elected to fill the vacancy thus made in the staff. The ear clinic was at that time transferred to the eye clinic.

In December, 1881, Mrs. Mary J. Audenried proposed to furnish a room in the hospital for the care of patients admitted for treatment, and her generous offer was accepted by the board. This room was used principally for cases admitted from the dispensary department, but was also occupied by patients from the emergency department. Two other rooms in the building were also fitted up and used for the same purpose later.

Mrs. James M. Carlisle gave a parlor concert for the benefit of the dispensary in the winter of 1881–82, which netted about $800. The opera of "The Debutantes," by Mr. J. Hubbard Smith, was given in 1886 and realized a considerable sum. Mr. B. H. Warner was elected president. His immediate predecessor had been Gen. William McKee Dunn, and before him Mr. Jesse B. Wilson had served for several terms. Mr. A. S. Solomons at one time held the office, and was for many years an earnest worker. Mr. W. M. Galt in the earlier days served for several terms with great advantage to the dispensary. Mr. T. J. Durant was the faithful secretary for many years, and following him was Mr. B. U. Keyser, who is dear to the memory of all the older members of the board for his geniality, efficiency, and absorbing interest in everything that pertained to the welfare of the hospital. By his death the hospital lost a most valuable friend. His successor was Mr. F. B. Mohun, who was indefatigable and untiring in his labors, and it is due to his energy principally that the hospital finally secured a building of its own on Twelfth street.

In May, 1886, there was a reorganization of the staff, whereby Dr. J. B. Hamilton took charge of surgery; Dr. Geo. W. Johnston, diseases of women, and Dr. Wm. Lee, general and nervous diseases.

After careful deliberation and thorough discussion, the board resolved, on March 12, 1886, to purchase the building No. 521 Twelfth street for the use of the dispensary and hospital, for the sum of $12,000. To raise this amount bonds were issued and subscribed for by members of the board. The committee on removal was: Dr. G. W. Johnston and Messrs. Warner and Mohun. The occupancy of the new quarters was completed the latter part of 1886.

In May, 1887, Dr. Hamilton resigned his position as surgeon, and Dr. J. F. Thompson was elected to fill the vacancy thus caused.

Mr. Mohun resigned his secretaryship in 1887, to the regret of his fellow-members of the board, and our present efficient incumbent, Mr. H. R. Webb, was unanimously elected to fill the vacancy.

In December, 1887, Dr. E. C. Morgan, in charge of the clinic for diseases of the throat and chest, tendered his resignation on account of failing health. Dr. G. B. Harrison, at that time Dr. Morgan's assistant and at present one of the attending staff, had charge of the department for several months prior to the resignation of Dr. Morgan. In the death of Dr. Morgan, which occurred several months later, the staff lost a valuable and highly esteemed member and the directorate an earnest worker. Dr. T. Morris Murray, the present director of that clinic, was nominated and elected to the vacancy thus caused.

The building on Twelfth street soon became totally inadequate for the work of the institution, and the erection of a building designed for our use was often discussed, and finally, at the suggestion of Mr. B. H. Warder, who was then vice-president, the lot at the junction of Ohio avenue and Fifteenth street was finally decided upon and purchased. Through the efforts of the president and several other members of the board, an appropriation of $30,000 was secured from Congress in 1890 for the construction of a new hospital. This, with the $25,000 realized from the sale of the house on Twelfth street, constituted the fund for the construction of the proposed new building. In 1893 further efforts placed the institution on the regular District bill with a yearly allowance of $4,500, which was successively increased, in order to meet the pressing demands upon the hospital, to $9,000, $12,000, and $15,000 for the current year.

In November, 1889, Messrs. Warner, Carlisle, and Whittemore and Drs. Magruder and Lee were appointed to procure plans for the new hospital. To this committee others were added from time to time, and finally the plans were completed by Messrs. Schneider & Pelz and building operations begun under the supervision of the District authorities. In June, 1889, Dr. Magruder, after years of valuable service, both as a member of the staff and the directorate, resigned from the attending staff on account of other pressing duties. He was elected a

ember of the consulting board, and Dr. W. H. Hawkes succeeded im as director of children's clinic. In October, 1889, Dr. G. W. ohnston resigned, and Dr. H. L. E. Johnson, who had been connected ith the dispensary as student and assistant for several years, was ected to take charge of the clinic for women. Dr. Thompson resigned om the active staff in October, 1890, and Dr. James Kerr was elected i his stead as director of the surgical clinic.

The committee on building were: Dr. Magruder, chairman; Messrs. Varner and Carlisle and Drs. Kerr and Lee. Dr. Johnson was chairan of committee on furnishings, Drs. Burnett and Kerr being the ther members.

After the many delays and annoyances always found in the construcon of a building of this importance, the hospital was finally completed nd was thrown open to the public for inspection on the evening of Iarch 24, 1892. In January of that year, however, the work of the ospital had been transferred to the new structure from the building t No. 407 Fifteenth street, which had been used temporarily for the urpose for some four months; the house on Twelfth street having been elinquished on account of projected improvements by its owners.

Through the liberality and energy, principally, of Mr. A. A. Thomas, ne of the directors, an ambulance fund was raised, and on the 8th of pril the ambulance committee, with Dr. Kerr as chairman, reported iat $750 had been collected and an ambulance selected.

In May the house staff and domestic management were reorganized nd a matron appointed, Miss Gaddis being elected to that position. he some months later resigned, giving place to Miss Mullen.

In November, 1892, at the request of Dr. Burnett, the board granted he use of the southeast room on the fourth floor for the establishment f the "Lionel Laboratory and Library," the room to be fitted up and quipped at his expense. This was done during the following spring.

Rooms to be known as "memorial rooms" have been fitted up in the ew building by the executors of the late George A. McIlhenny, who as for many years a generous contributing member, by Mr. William alt, a member of the board and once its vice-president, by Mr. C. C. Villard, in memory of his son Walter J. Willard, by Georgetown Colge, in memory of George Behan, a student, and by Mrs. Audenreid i memory of Gen. Joseph C. Audenreid.

In March, 1893, the dispensary and hospital suffered a great loss in he death of Dr. William Lee, director of the clinic of general and ervous diseases. This clinic was then divided, and Dr. George Byrd Iarrison was elected to take charge of general diseases and Dr. E. L. 'ompkins of nervous diseases.

On November 10 Miss Mullen's resignation as matron was accepted nd Miss Roberta M. West, of the Philadelphia Hospital, was appointed uperintendent of the hospital, her duties to begin December 15.

After removal to the new building the work of the hospital rapidly

increased and has continued to do so each succeeding year, as the tabulated statements embodied in the reports of the staff show. The work, both in the dispensary and emergency departments, has become more perfectly organized, and a well regulated system has been the outcome of experience and necessities. Good works have carried the name of the institution into every corner and recess of this populous city, and there are no better known figures in the streets and avenues than the good gray horse "Frank" and his ambulance.

The first "Donation Day" was on March 17, 1894, and it yielded $458 in money and about $500 in supplies.

In this short résumé it has not been possible to mention by name all the gentlemen who have, from time to time, constituted the boards of directorship. Many not occupying official position have been as faithful and energetic as those who did, and all have had the welfare of the institution at heart. Many noble women, too, have given their time, labor, and money to the work. Everything has not gone smoothly at all times, but it would be safe to say that harmony has prevailed in the management of the affairs of this hospital to a much greater extent than in most institutions of its kind. It is the one hospital in our city in which the medical men who do the work have an equal share in the management of its affairs. The good effect of this is seen in many ways. It has brought laymen and medical men into more intimate relations and allowed the laymen to have a more perfect knowledge of the workings of the hospital, and has thus enabled the business men of the board to act with a more intelligent comprehension of its actual needs.

It has been the boast that the management has done, under this organization, more for the money they had than would have been otherwise possible, and they are proud of the manner in which the finances have been managed. Mr. D. W. Middleton was the first treasurer. He was followed by Mr. Edward Temple, then came Mr. Eugene Morgan, and after him Mr. C. J. Bell, whose capable work all are familliar with, served until circumstances which he could not control forced him to give up his post. Mr. W. B. Gurley was then elected and served until last year, when he resigned, and the hospital was fortunate enough to secure the services and interest of the present incumbent, Mr. John B. Wight.

In the matter of medical education most excellent work has been done. The clinics and operations are attended by crowds of students, and in many fields the facilities for instruction are not surpassed by institutions of much greater pretensions, and the motto in this as in all other departments is still "Excelsior."

IV.

The Washington Home for Incurables was incorporated for a term of fifty years, under the general incorporation act, on March 6, 1889. The particular object and business of the association, as stated, is the care of indigent incurable persons of both sexes. Persons who contribute $5 yearly, or over $30 in one sum, become members of the association. The articles name as the board of management for the first year: Mrs. Katharine Everett, president; Mrs. E. Snowden Bell, vice-president; Miss I. Corson, secretary; Mrs. E. Phillips, corresponding secretary; Thomas Hyde and E. Francis Riggs, trustees; Mrs. E. Phillips, treasurer.

The hospital was first opened in Mount Pleasant, at No. 1503 Meridian avenue. About 1892 an attractive site was secured north of Road street, between Thirty-first and Thirty-second streets, for $12,047, and a building that cost, including the furnishings and equipment, $56,736.38 was constructed. The price of the lot and $28,000 additional were given by Miss Kibbey; there was an anonymous contribution of $10,000; and Mr. M. W. Galt gave $500 for the gas fixtures. From the proceeds of the sale of the lot in Mount Pleasant, the gift of Mrs. G. V. Fox, the hospital realized $2,000. From the sale of its Mount Pleasant property the sum of $4,000 was realized in notes, so that practically the debt is $1,000, now canceled.

Until July 1, 1896, the hospital received no aid from Congress, but for the fiscal years 1896–97 and 1897–98 appropriations of $2,000 per annum have been made. During the year 1896 private gifts to the amount of $7,503.24 were received, besides $312.10 from the two endowment funds raised, respectively, by the Georgetown and the Washington Ladies' Aid Societies, and $1,524.34 from other sources.

The earnest and wide interest taken in the hospital by the benevolently disposed people of the District is shown in the report of the trustees for the year 1895–96. During the year Mrs. Hearst opened her picture gallery for the benefit of the institution, and $1,276.86 was realized; a letter-chain scheme, proposed by Mrs. Jackson, brought $1,730.95, letters coming from almost every State and Territory, and from Canada and Europe; Mrs. N. S. Lincoln suggested and carried through the "Woman's issue of The Times," of July 5, 1896, which netted $1,010; from the bequest of Michael McKeon, an inmate of the Soldiers' Home, came $3,097.68; from Mrs. Edward Wolcott's bequest came $40,000, and probably $20,000 additional when the estate shall be settled (now $63,713.64), the income to be used to establish and maintain a ward for crippled children, to be known as "The Lolie Wolcott ward;" Mrs. George L. Bradley has paid the salary of a nurse, and Miss Noble, Miss Ernst, and Mme. de Chambrun contribute $300 a year to support a cancer ward. A bicycle parade at the Eclipse Park, managed by Mrs. W. J. Boardman, realized $1,249.76, and Mrs. Hearst added to her other bounties a gift of $500.

This interest in the hospital was aroused by efforts on the part of the management quite in proportion to the results. The statement made in the president's report for 1895–96 very fairly explains the situation:

By continual effort on the part of the managers, the annual subscription list has gone up $267—for the past year is $1,117—and there is no question but that by persistent and renewed efforts it can be largely increased. Two most generous friends have told me they will give $100 a year if 100 people can be found to do the same. That I scarcely think possible; nor is it quite fair that the burden should be borne by 100 people alone, but I think 25 could be found to give $100, and 50 to give, respectively, $50, $25, $20, and $15 a year apiece; 100 to give $10, and 200 to give $5 a year. That would be only 525 persons in all, and by a determined effort they could be found and held. That would give us $10,000, which, with our pay patients, would enable us to extend our work, and never have recourse to the wretched methods now in vogue for raising money—a system which is fast making it impossible to induce any but rich people to serve on boards, and is fast disgusting the public.

During 1896, 21 persons were admitted and 17 died, leaving a population of 40 on January 1, 1897. The mortality of the institution is remarkably small when it is taken into consideration that persons from all the hospitals are received who are pronounced absolutely incurable, and who have no one to shelter them. The expense also of the interment of so many friendless persons is considerable. The hospital thus far has received only white persons. The officers are: Mrs. Archibald Hopkins, president; Mrs. William J. Boardman and Mrs. J. L. Hodge, vice-presidents; Mrs. Addison, recording secretary; Mrs. J. Y. Taylor, corresponding secretary; Mr. B. P. Mimmack, treasurer; Messrs. Thomas Hyde and E. Francis Riggs, trustees; Drs. John R. Wellington, Arthur A. Snyder, Henry B. Deale, and Sterling Ruffin, medical staff; Dr. William H. Fox, in charge of diseases of the eye and ear; Miss Purman, matron; Dr. J. Carleton Haas, resident physician.

V.

In addition to the institutions already mentioned are a number whose status is not clearly defined. A hospital has been organized recently in connection with the medical department of the Georgetown College. The Sibley Memorial Hospital, erected a few years ago, is now closed for want of funds to maintain it. The medical department of the Columbian University has established, and is about to put into operation, a hospital in connection with that school.

The Eastern Dispensary, located at 217 Delaware avenue NE., was organized April 13, 1888, and occupies a rented building. It receives an appropriation of $1,000 a year from Congress, and its expenses are about $300 in excess of the appropriation.

The Woman's Dispensary, located at the corner of Maryland avenue and Four-and-a-half street SW., was incorporated June 18, 1883, and occupies premises rented from Mrs. M. J. Stroud. The District Commissioners have made the institution an allowance of $500 a year from the appropriation for the relief of the poor, and the annual income from private gifts, as last reported, was $348.82.

THE WASHINGTON HOME FOR INCURABLES.

The Woman's Clinic, located at 1833 Fourteenth street NW., has a ge staff; it receives no appropriation.

VI.

The Children's Country Home, located on the Broad Branch and ant roads, near Tennallytown, has been in operation for about fifteen ars, and cares for about 150 girls and 100 boys each summer. The me is under the care of the Sisters of St. Margaret. On February , 1897, the home had a balance of $57.80 on hand, and up to Novem- r 1 received $1,546.17 interest on Kellogg & Co.'s notes, $552.42 from e estate of the late Michael Briel, besides one-third interest in real- tate notes amounting to $12,940.84, and a store and dwelling esti- ated to be worth $12,000. The buildings and grounds are valued at 2,000, and the total assets of the home on November 1, 1897, were 9,898.71.[1] This charity is maintained entirely by private subscrip- on. The home is open from June to October, and receives children of l denominations and creeds; 45 children can be accommodated at e time, and each child stays two weeks. The officers are: Miss Kate Roy, president; Mrs. E. M. Chapman, vice president; Miss Frederica Rodgers, secretary; Mr. F. V. Robinson, treasurer.

The Diet Kitchen was begun April 24, 1896, by Mrs. Sarah S. Fuller, o acts as secretary. Her only helper was a matron, who cooked, der Mrs. Fuller's direction, what was necessary. From April to vember, 1897, 26 white and 36 colored patients were served for riods varying from five days to two weeks.

Various religious denominations maintain small dispensaries for spe- l purposes. For example, there is a Lutheran eye, ear, and throat firmary, organized in 1889, located at the corner of Fourteenth and streets NW. During 1896 7,064 persons were treated at a total pense of $178, not including rent.

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[1] Letter from Mr. F. V. Robinson, treasurer, to clerk of joint committee, Oct. 29, 1897.

CHAPTER VII.

FOUNDLING ASYLUMS.

THE St. Ann's Infant Asylum was started in August, 1860, by Sister Dyonisia, in a building on the corner of Pennsylvania avenue and Thirteen-and-a-half street, under the name of the Washington Infant Asylum. It was the first distinctly foundling asylum in Washington. Within a year the asylum was removed to a large building owned by Mr. W. W. Corcoran, on Vermont avenue between H and I streets, where it was continued until the Sisters purchased the three lots in Square No. 39, now occupied, on the corner of K and Twenty-fourth streets.

St. Ann's Infant Asylum was incorporated by the act of March 3, 1863, with the following incorporators: Theresa A. Costello, Lucy Guynn, Margaret Bowden, Sarah M. Carroll, Catherine Ryan, Louisa Fisher, and Catherine Shea. The objects of the institution, as given in the act, are the support and maintenance of foundlings and infant orphan and half-orphan children, and also to provide for deserving indigent and unprotected females during their confinement in child-birth. The corporation is empowered to hold real and personal property to a value not exceeding $100,000; "children are committed to its charge as fully and completely, to all intents and purposes, as if they were regularly indentured and bound apprentices of the institution, until they shall attain the age, if males, of 21 years, and if females, 15 years, or for any shorter period that may be agreed upon; and to the corporation is given the power to bind out children as apprentices, to learn any trade or business or to learn to be useful in housekeeping." The corporation is not restricted in the exercise of their powers in binding and placing out in the District of Columbia; and Congress reserved the right to alter, amend, or repeal the act.

In 1867 there were 40 children receiving the protection of the charity; and the Asylum was at that time entirely dependent upon the liberality of the public for its support. A lying-in department was attached to the institution, Dr. W. G. H. Newmann being the attending physician, and Drs. B. Magruder, N. S. Lincoln, and J. Eliot the consulting physicians.

The cost of the land occupied was $24,000, and the value of the buildings is about $100,000. The present rules of the institution limit

ST. ANN'S INFANT ORPHAN ASYLUM.

the age of children at the time of reception to 6 years. Foundlings left in baskets on the doorstep or elsewhere, or found by the police and brought to St. Ann's Infant Asylum, are received. After the boys reach the age of 6 years a majority of them are sent to farms in the country, and the girls are taught trades.

The number of inmates on January 1, 1897, was 125, of whom 110 were admitted during the year 1896. The number of children placed in free homes during the year was 11, and the number restored to parents and relatives, 50; the number of deaths was 64. All but 8 of the children were residents of the District of Columbia. The income from Congressional appropriations during 1896 was $5,400, and from private gifts $1,749.29. There was also a legacy of $3,398.71 received.

The institution receives colored as well as white children. In 1877 the institution received its first appropriation from the Government, and from that year to the present time it has been receiving an appropriation from Congress. From 1877 to 1887 the appropriation was $5,000, after which it received $6,000 until 1891, when the amount was raised to $6,500. In 1872 it received $7,079; in 1893, $6,500; in 1894, $3,840; in 1895, $5,400. The annual expenses are from $12,000 to $15,000.

There is a medical staff connected with the institution, the medical board filling vacancies as they occur. In case homes have not been found for children who have arrived at the age of 6 years, they are sent to St. Joseph's or St. Vincent's Orphan Asylum, where they continue until the age of 15 years. They are then sent to homes in the country, if such homes can be found. If the girls show an aptitude for needlework, they are sent to St. Rose's Industrial School. The president of the institution is Sister Elizabeth Relihan.

II.

The Washington Hospital for Foundlings exists by virtue of the act of April 22, 1870, the incorporators being G. W. Samson, Gen. O. O. Howard, Z. D. Gilman, William Stickney, A. C. Richards, B. Sunderland, A. N. Zevely, Wright Rives, Dr. James C. Hall, David K. Cartter, William B. Todd, jr., D. W. Middleton, George L. Sheriff, B. B. French, Joseph S. Stettinius, and John R. Arison. The control of the hospital was intrusted to a board of ten directors, to be made up of the first seven above-mentioned incorporators and three others, to be selected by the corporation. The object, as stated, was to found in the city of Washington a hospital for the reception and support of destitute and friendless children. The foundlings received were to be wholly under the guardianship, care, and control of the institution, to be educated, apprenticed, and otherwise disposed of until they reached the age of 18 years, when the care and control was to cease. The property, both real and personal, of the hospital was made exempt from taxation, and Congress reserved the right to alter, amend, or repeal the act.

The hospital was founded to carry into effect the bequest contained

in the will of Joshua Peirce, who died at Linnæan Hill, near Washington, April 11, 1869, the bequest being as follows:

I give, devise, and bequeath all those fourteen certain lots or pieces of ground, part of square number two hundred and seven, situate between R and S streets north and Fourteenth and Fifteenth streets west, in the said city of Washington, in the District of Columbia, which lots are numbered from number twenty-four to number thirty-seven, inclusive, on a certain plan of subdivision of the said square, registered and recorded in the surveyor's office for the said city, in Liber W. F., folio 211, and are situated on the east side of the said Fifteenth street, at the distance of one hundred and sixty feet northward from the north side of the said R street north, containing together in front on the said Fifteenth street west one hundred and thirty feet, and in depth eastward, between parallel lines, two hundred and ninety-four feet and a half inch, more or less, to Johnson avenue (including in the said depth a twenty-feet-wide alley, laid out through the middle of the said lots), to my friends William M. Shuster and William H. Claggett, both of the said city of Washington, and the survivor of them, and the heirs, executors, administrators, and assigns of such survivor, in trust. Nevertheless, and to, for and upon the uses, intents, and purposes following, that is to say: In trust to hold the said fourteen lots of ground, with the appurtenances, as and for a site for the erection of a hospital for foundlings, to be built and erected by any association, society, or institution that may hereafter be incorporated by act of Congress, as and for such hospital, and upon such incorporation, upon further trust, to grant and convey the said lots of ground and trust estate to the corporation or institution so incorporated for the said purpose of the erection of a hospital, which conveyance shall be absolute and in fee: *Provided, nevertheless*, That such corporation shall be approved by my said trustees, or the survivor of them, or their successors in the trust, and, if not so approved, then upon further trust to hold the said lots and trust estate, for the same purpose, until a corporation shall be so created by act of Congress, which shall meet the approval of the said trustees, or the survivor or successor of them, to whom full discretion is given in this behalf, and, upon such approval, in trust to convey as aforesaid. And I recommend to my said trustees to select an institution which shall not be under the control of any one religious sect or persuasion, and until such conveyance I direct the taxes, charges, and assessments, and all necessary expenses of, for, and upon the said lots, and every of them, to be paid by my executors, as they shall from time to time accrue and become due and payable, out of the residue of my estate.

The hospital, although chartered in 1870, did not begin operations until 1887. It is located on Fifteenth street NW., between R and S streets, on a half square (38,000 feet) given by Mr. Peirce, and now valued at $95,550. The delay in starting the institution was due to the difficulty in raising money to erect the necessary building. The sum of $31,500 having been secured, Congress appropriated $3,500, necessary to complete the building, the designs for which were prepared under the direction of John S. Billings, surgeon U. S. A.

Since its opening the hospital has cared for, up to 1897, 538 children, 108 of whom have been adopted, 34 being retained in the institution, and the remainder having died. Excepting in one instance, no child has been retained beyond the age of 6 years, the majority being adopted between the ages of 2 and 3 years. The capacity of the hospital being limited to 50, only white children are admitted.

The by-laws of the institution, adopted March 17, 1887, provide that

THE WASHINGTON HOSPITAL FOR FOUNDLINGS.

whenever the number of incorporators shall from any cause become less than 100, the remaining members shall, at an annual or special meeting, elect so many new members as shall be necessary to increase the total number of members to 100. It is provided that no officer, director, or visitor shall receive any compensation whatever for his or her services, but the matron, nurses, and servants are paid regular salaries. Each incorporator pays annually $5 in dues.

The Government makes an appropriation of $6,000 for maintenance, and from private sources in 1896 $1,923.43 was obtained, being the proceeds of dues, donations, and entertainments. Two directors, 1 male and 1 female, are elected each year to serve for five years, and until their successors are chosen. Fifty ladies make up the board of lady visitors, whose duty it is to visit the hospital and to unite with the finance committee of the board of directors in efforts to raise money for its needs.

Applications for admission are made to the matron, and children are received by her, subject to the approval of the executive committee. Children are received into the hospital upon personal application of the mothers, or of some responsible citizen who has personal knowledge of the case, no application being received after the child is 3 years old. The rules provide that in passing upon applications the present necessities of the mother, if living, the fact that she is not an habitual offender against chastity, that the father of the child has deserted it and the mother, and that the reception of the child would probably be the means of restoring the mother into the course of virtue and in the way of an honest livelihood, shall be considered.

No money is received for the admission of children, and no infant having infectious, incurable, or contagious diseases is admitted. The medical staff consists of a chief, elected by the directors, and two or more assistant physicians appointed by the chief of the staff, subject to the approval of the board of directors. The medical staff serve without compensation, and is subject to removal by the board of directors. At the time the hospital began operations, the directors were Dr. Z. T. Sowers, W. F. Mattingly, J. P. Klingle, M. M. Parker, Thomas J. Fisher, Miss H. Williamson, Mrs. Francis Colton, Mrs. W. H. Lamon, Mrs. H. M. Hutchinson, and Mrs. Frank B. Conger.

On the day the hospital was opened for the reception of children there were three admissions, and within three weeks the first child, a little over 2 years old, was adopted, and during the year two more were placed in homes. In 1888 eleven adoptions were made; in 1889, eight; in 1890, twelve; in 1891, sixteen; in 1892, seven; in 1893, thirteen; in 1894, nine; in 1895, five; and in 1896, seventeen; making a total of 101.

The Peirce Guild have taken the responsibility of supplying the furnishings of the children's wards, including clothing. The board of lady visitors takes charge of the bed and table linen, and everything that relates to the domestic part of the asylum. During the continuance of

the Pansy Magazine, the Pansy societies throughout the country became interested in the institution, and for four years sent contributions from all over the world, varying from 25 cents to a 2-cent postage stamp, the total contributions from this source amounting to $440.88.

For two years the children were taken to the country home in the Rock Creek Park, but last year the finances of the institution did not permit this movement. From November, 1895, to February, 1896, the private fund was exhausted owing to the extra demands made by the diphtheria and scarlet fever epidemic, and this experience has impressed upon the management of the institution the necessity for an isolated ward. Besides the contributions in money, considerable amounts of clothing, furnishings, and provisions are sent to the hospital annually.

CHAPTER VIII.

ORPHAN ASYLUMS.

THE sad results of the war of 1812 were not confined to the destruction of the public buildings, but left to the care and sympathy of the citizens a full share of the orphanage resulting largely therefrom.[1] The proclamation of peace sent a thrill of joy through every household, and elicited the warmest sympathy for the fatherless children brought to public notice. Mrs. Gen. John P. Van Ness, moved by the frequency of appeals to her charity, consulted with Mrs. Rev. Obadiah Brown, of the First Baptist Church, as to the feasibility of effecting an organization by which permanent relief could be assured for the helpless orphans of the city and neighborhood. As a result of this interview a public meeting was called through the press for "the ladies of Washington and neighborhood, to be held in the Hall of Representatives, on Tuesday, October 10, 1815, to consider the propriety of instituting an asylum for the relief and maintenance of orphans." At the time and place named a number of ladies responded to the call. After prayer by Rev. Dr. Caldwell, Mrs. Hunter was invited to preside and Mrs. Samuel H. Smith to act as secretary. A draft of a constitution was presented to the meeting for consideration, which, after being amended, was adopted, and the institution named "The Washington City Orphan Asylum." The following officers were elected, viz: First directress, Mrs. James Madison; second directress, Mrs. J. P. Van Ness; treasurer, Mrs. Josiah Caldwell; lady managers, Mrs. McGowan, Mrs. Roger Weightman, Mrs. Andrew Ramsey, Mrs. Chalmers, Mrs. Obadiah Brown, Mrs. Joseph Mechlin, Mrs. Dr. Blake, Mrs. Dr. Breckenridge, and Mrs. Dudley Diggs, of Green Hill.

The vacancies occurring in the board by death and other causes have been, as occasion required, supplied by the following ladies, viz: Mrs. Gen. Walter Jones, Mrs. Larned, Mrs. Lear, Mrs. Joseph Gales, Mrs.

[1] This sketch is substantially the address delivered by Mr. John C. Harkness, for many years a trustee of the institution, on the occasion of the dedication of the Hall Memorial Building, May 26, 1885. Mr. W. W. Corcoran presided. At one end of the hall was a marble bust of Dr. James C. Hall, while at the other was a similar bust of Mr. Corcoran. Upon the walls were portraits of Dr. Hall and Mrs. Laurie, his mother. Addresses were made also by Mr. R. Ross Perry, Judge William Merrick, and President J. C. Welling, of the Columbian University, eulogistic of Dr. Hall. See also Elliot's Historical Sketches, p. 310.—EDITOR.

Samuel H. Smith, Mrs. General Towson, Mrs. Henderson, Mrs. Andrews, Mrs. Dr. Laurie, Mrs. Tayloe, Mrs. Weed, Mrs. Combe, Mrs. Colonel Bumford, Mrs. Fowler, Mrs. Dr. Hawley, Mrs. Clagett, Mrs. Dr. Washington, Mrs. Gillis, Mrs. McPherson, Mrs. Adelaide Brown, Mrs. Colonel Zeilen, Mrs. William B. Todd, Miss Smith, and Miss Van Ness.

Present [1885] board of lady managers: Mrs. S. P. Lee, first directress; Mrs. William M. Merrick, second directress; Mrs. Z. D. Gilman, secretary; Mrs. Dr. Z. T. Sowers, corresponding secretary; Mrs. M. G. Temple, treasurer; Miss M. F. Waite, Mrs. Dr. George B. Harrison, Mrs. George Brown, Mrs. George S. Gideon, Mrs. John C. Harkness, Mrs. N. Mulliken, Mrs. Marshall Brown, Mrs. J. W. Maury, Mrs. Edwin Green, Mrs. M. G. Emery, Mrs. George M. Head, Mrs. Dr. A. Y. P. Garnett.[1]

The institution being duly officered, a small frame house fronting on Tenth street west, near Pennsylvania avenue, was rented, and in this unpretentious structure the first organized effort on behalf of destitute orphans, it is believed, was made in the Capital City, under the presidency of Mrs. James Madison and her associates in office. The lady managers were for many years dependent upon voluntary contributions and church collections to meet the expenses of their growing family.

It may be of interest to narrate, as an illustration, certain facts connected with the early history of the institution confirmatory of the trials of the ladies' faith. The discrepancy between the income and the expenses was at times the occasion of deep concern. To meet an emergency a public meeting was advertised for Wesley Chapel. The evening proved unfavorable. The basement was opened, which was ample to accommodate the few present. After the preliminary song and prayer, an address was made by Dr. B. Then followed a statement of the financial needs of the home. A collection was proposed. No baskets for the purpose could be found. A voice: "Take the orphan boys' hats!" They were so utilized, but the collection, on examination, was judged to be far short of what was needed.

This announcement brought to his feet one of the trustees, who appealed for a better evidence of their interest in the great charity which the community had confided to the care of Christian ladies representing nearly all of the evangelical churches of the city. In response to this appeal a number of propositions was announced and

[1] The management now is in the hands of Mrs. S. P. Lee, first directress; Mrs. William M. Merrick, second directress; Miss Mary Temple, treasurer; Mrs. George B. Harrison, secretary; Mrs. Z. T. Sowers, corresponding secretary; Miss Strong, registrar; Mrs. George M. Head, Mrs. George S. Gideon, Mrs. Wright Rives, Mrs. Edwin Green, Mrs. M. G. Emery, Mrs. A. Y. P. Garnett, Mrs. John Rogers, Miss Waite, Mrs. I. La Rue Johnson, Mrs. S. M. Woodward, Miss Stinemetz. The trustees are F. B. McGuire, J. J. Darlington, Blair Lee, Reginald Fendall, Judge Seth Shepard; physicians, Drs. George B. Harrison, Charles R. Collins, L. W. Glazebrook; consulting physician, Dr. Charles E. Hagner; oculist, Dr. Swan M. Burnett; dentist, Dr. J. Buddington Wright.—EDITOR.

THE WASHINGTON CITY ORPHAN ASYLUM.

esponses made thereto. When this expedient was about exhausted a entleman from a secluded part of the room crossed over to the trustee ıanaging the case, whispered in his ear, and returned to his place. It 'as then announced that a patron of the institution just returned 'om Europe was unexpectedly present; that he wished the effort to be rolonged, and that he would duplicate the amount raised. Under his inspiring proposition a lively interest on behalf of the orphans 'as kindled. The amount of the collection was over $600, which was romptly duplicated by the check of the patron referred to.

On the retirement of Mr. Madison to his Virginia home, the resignation f Mrs. Madison as first directress, to the great regret of her numerous 'iends, became necessary. Mrs. James Monroe was elected to this osition, but she declined the proffered honor. Mrs. Monroe having eclined to serve, Mrs. John P. Van Ness was elected to fill the vacancy, nd for fifteen years met the onerous duties pertaining to the office of rst directress with highly appreciated ability and unflagging zeal. 'ear the close of her administration the Asiatic cholera visited Washıgton with great fatality. Mrs. Van Ness, with a courage and selfenial worthy of the proudest chaplet ever bestowed upon human merit, emained at her post of duty, and sought, to the utmost of her ability,) alleviate the sufferings of the poor and needy, and to stanch the 'ounds of helpless orphanage. The task was too much for her deliate frame. Exhausted, mind and heart, in September, 1832, she, too, ell a victim to the plague. January 3, 1833, the board of lady mangers resolved "that a portrait of Mrs. Marcia Van Ness be painted at he expense of the board of managers and placed in the asylum."

As early as October 17, 1815, the board of lady managers, with a purose to provide a home of its own, appointed a committee, consisting of Irs. Mechlin and Mrs. Dr. Breckenridge, to solicit aid of the corporate ıuthorities. After a delay of some months, an appropriation of $200 'as effected. March 19, 1816, the board resolved to build, and for that ıurpose made each member responsible for $25. Mrs. Madison gave 20 and a cow. Mrs. President Monroe, on declining to accept the ppointment of first directress, gave $50. Mrs. Van Ness gave $10 and he use of a lot on which to build free of rent. Encouraged by the bove facts, a contract was concluded with Henry Smith, builder, for he erection of a frame tenement adequate to meet the needs of the nstitution for several years on the lot offered by Mrs. Van Ness, which roved to be a part of the site on which the H street home was subsequently built. The first annual meeting of the association was held at Dr. Laurie's church, now Willard Hall, October 12, 1816, at which $500 'as voted Mr. Smith on account, and May 6, 1817, the balance due him, ncluding extras, viz, $200, was paid. For five years the orphan family 'as domiciled therein. The demands upon the institution multiplied ıntil larger accommodations were needed. In the year 1822 a house ronting on Seventh street, between H and I streets northwest, was

rented, and the family transferred thereto, and there remained until the permanent H street home was completed in 1829. The small frame building was rented until 1828, when it was sold and moved off the lot to allow the foundations of the permanent home to be laid.

To give a legal status to the institution, Congress, by request of the board, incorporated it May 24, 1828, with William Hawley, John P. Van Ness, Nathan Towson, Obadiah Brown, and James Larned, trustees.[1]

The vacancies occurring in the board by death, removals, etc., have been supplied, as provided by the charter, by the following-named gentlemen, viz: William J. Stone, Benjamin Ogle Tayloe, William B. Todd, Seth J. Todd, Thomas Blagden, Dr. Phineas D. Gurley, Dr. James C. Hall, and R. K. Eliot.

The existing board are as follows, viz: W. W. Corcoran, president; John C. Harkness, secretary; Edward Temple, treasurer; Fred B. McGuire, R. Ross Perry.[2]

Closely following the act of incorporation, Congress donated to the institution a number of city lots, estimated by the commissioner[3] at $10,000, which was emphasized by the gift of Gen. John P. Van Ness and wife of an eligible lot fronting on H street north, between Ninth and Tenth streets west, on which to build a permanent home for orphans. With these timely gifts, supplemented by others of less amounts, the trustees were encouraged to build, under the direction of Architect

[1] By section 3 of the act of incorporation, the real and personal property before given, granted, devised, or bequeathed to the asylum, or to any person or persons for its use, or that had been purchased for the institution, was vested in and confirmed to the corporations respectively; but it was provided that the clear annual income of property to be acquired by either of the corporations should not at any time exceed the sum of $3,000.

Section 6 provided that the then managers of the Washington City Asylum (called by the articles of association the "board of trustees") might continue in office until the second Tuesday in October, 1828, "at which time, and on the same day in each year thereafter, the corporation, by those who from their by-laws may be qualified to vote, shall be regulated, and the officers thereof appointed agreeably to the provisions of this act—that is to say, there should be appointed a first and second female directress, also fifteen female managers, and these directresses and managers, a majority of whom shall be necessary to do business, at such time and place as they may direct, shall appoint a treasurer and secretary, and such other officers and also perform such other duties as the by-laws may direct."

Section 7 provides that when any destitute male or female child is received into the asylum with the approbation of the parent, guardian, or friends who may have charge of the child, they shall not thereafter be at liberty to withdraw or leave the asylum without the consent of the directors until, if a male, he shall attain the age of 21 years, and if a female, she shall attain the age of 15 years, but up to the periods and ages named, they shall remain subject to the direction of the asylum, or those to whom, by the asylum, they may be bound, unless, by consent given by those directing the institution, they may be exonerated from service previous to attaining those respective ages."—EDITOR.

[2] For the trustees for 1896 see page 108, note.—EDITOR.

[3] See page 115 for the terms of this gift.—EDITOR.

Bulfinch, a convenient and substantial asylum building, the corner stone of which was, in the presence of a large number of citizens, the most of whom had marched in procession from Dr. Laurie's church on F street, near Fourteenth street northwest, laid by the Masonic fraternity, August 11, 1828. The superstructure was erected in due time, and in the summer of 1829 the institution was installed therein. For thirty-eight years the lady managers, representing most of the churches of the city, within this valued home, sheltered, fed, clothed, and schooled a large number of orphans. Not only so, but they bestowed upon their parentless wards much of maternal solicitude for their moral training and preparation to meet the conflicts of coming life.[1]

To facilitate the education of the children, suitable rooms in the old and new buildings were fitted with school requisites, and faithful, competent teachers employed. Results have been secured in this department which will compare favorably with the public schools of the present day.

The Sabbath school, under the superintendence of Mr. W. F. Randolph, assisted by the following teachers, viz, Miss Carrington, Misses Porter, Miss Gowie, Miss Stier, Miss Campbell, Miss Tulee, Miss Rathbone, Messrs. Kellog, Conner, Bailey, Cooper, and W. J. B. Sleman, musical director, has rendered valuable aid to the lady managers, and the intelligent Christian matron, Mrs. Wright, in the moral training of the children of the home.

The vast addition to the population of the Capital City and District, following the conclusion of the late civil war, added largely to the number of helpless orphans, whose claims could not be ignored, and therefore required additional accommodations. While debating the question, How can these be provided? Mr. William Galt made an offer for the H street home, and Mr. Corcoran had long before entertained the idea that the future wants of the city would demand a change in the location of the home, and greater accommodations, and having disclosed a purpose to favor the institution with the present site, the trustees, the lady managers concurring, with these encouraging facts before them, sold the H street home to Mr. Galt for $25,000, possession to be given April 1, 1867. Whereupon the trustees rented one of those large residences fronting on I street north, near Second street west, adjoining the then residence of General Grant, from whom and his family the orphan home received many kind attentions. In this temporary home the lady managers continued without abatement their kind offices to their dependent wards until May, 1876, a period of nine years.

The deed for the lots constituting the present site of the Washington City Orphan Asylum, viz, 200 feet on Fourteenth street, and 276 feet 9

[1] On December, 1867, there were 93 orphans in the institution. At the close of 1874, 114 children were enjoying the benefits of the Washington City Orphan Asylum—55 boys and 59 girls. Three boys and 7 girls having left at suitable ages, were placed in positions.—EDITOR.

inches on S street northwest, containing 55,350 superficial feet, having been executed by Mr. W. W. Corcoran, the secretary of the board was authorized to make to him a suitable acknowledgment. The following is a copy of the same:

WASHINGTON, *June 20, 1866.*

W. W. CORCORAN, Esq.

DEAR SIR: I am directed by the trustees of the Washington City Orphan Asylum to acknowledge the reception by them of the deed executed by you for the lots in square 239, which you donated to the asylum. It is with emotions of the deepest gratitude that we acknowledge the generous and timely gift. Surely, among the many noble charities whereby you have aided the cause of our suffering humanity, this is not the least. The fruits of it will abound through countless years to come, gladdening the hearts and brightening the prospects of the children of want and sorrow; you yourself will contemplate these fruits with unutterable satisfaction as long as you live, and when you have faded and passed away they will make your memory blessed.

While we are grateful to you for your liberality towards the institution whose pecuniary interests are under our care, we are also grateful to God, who disposes you to devote so large a share of your earthly substance to the cause of benevolence; and our prayer to Him is, that you may be long spared "to strengthen the hand of the poor and needy," and to show to a selfish world the blessings that ensue when wealth is laid as a willing offering upon the altar of God and humanity.

On behalf of the board of trustees,

I am yours, truly, P. D. GURLEY,

Secretary of the Board.

Plans for the home were prepared by John C. Harkness and adopted by the lady managers and the board of trustees as well. Bids for the inclosing of the building were received from several prominent builders. The contract was awarded James G. Naylor, dated June, 1865, the amount of the contract being $24,170. Under this agreement the basement walls were completed, so that the corner stone was laid July 13, 1865, in the presence of a great crowd of citizens, with imposing Masonic ceremonies. Appropriate addresses were delivered by Hon. William Whiting, of the Masonic order; Hon. William Harlan, Secretary of the Interior; prayer by the Rev. Dr. Gillette, pastor of the First Baptist Church, and the benediction pronounced by Rev. P. D. Gurley, pastor of the New York Avenue Presbyterian Church.

By the close of the season the building was satisfactorily inclosed, and in the spring of 1866 the then Secretary of State, the late Hon. William H. Seward, requested its completion for the accommodation of the State Department, which was cordially agreed to by the trustees, and during the summer and fall the work was accomplished and the distinguished tenant put in possession, and continued in the occupancy until November 1, 1875. The trustees having been put in possession of the building lost no time, but at once proceeded to have the same fitted up with the best of known requisites for a first-class orphan asylum, so that the institution was installed therein May, 1876. Resuming the official history, Mrs. William Hawley succeeded Mrs. Van Ness as first directress, and continued to fill this position until 1859, resigning because of ill

health. Mrs. R. T. Coxe was elected first directress in January, 1859; was such until 1862, when she resigned.

The present incumbent, Mrs. Admiral Lee, was duly elected to the chair of first directress in 1862, and during these years, embracing epochs of extraordinary interest and trial, by her fidelity to her obligations and by her undiminished solicitude for the moral training of the children of the home and their educational equipment for the duties of subsequent life, has won for herself the highest meed of praise. In this connection it may be observed that to those who are familiar with the onerous duties gratuitously discharged by the lady managers—not infrequently in the presence of marked ingratitude—their continuance in the noble charity is, indeed, a marvel and should command the gratitude of the community whom they serve.

As a framework to give due prominence to the beautiful picture of the disinterested charity of the lady managers, it should be mentioned in this sketch that when the institution was without a home they and their friends, at a large outlay of personal effort, involving investments of time, toil, and means, held a series of fairs at Odd Fellows' Hall creditable to all concerned, and, as a final result, they paid over to the trustees, to aid them in the building of this present home, upward of $21,000—in view of which it may be said that many daughters have done well, but these lady managers excel them all. To supply a broken link in this historic chain, it will be noted that the vacancy in the board of trustees of the asylum, occasioned by the deeply regretted death of the late Dr. P. D. Gurley, which occurred October 7, 1868, was filled by the election of Dr. James C. Hall, who devoted to the office rare culture, varied experience, acknowledged talent, unflinching devotion to duty, and especial interest in all that pertained to the health and comfort of the home. As a member of the building committee, the good judgment and varied learning of Dr. Hall were of great value. After a faithful service to the institution he so highly appreciated, as trustee and a member of the building committee for twelve years, he fell in the harness, beloved and highly respected by all who knew him.

By his will Dr. Hall made the Washington City Orphan Asylum and the Children's Hospital his residuary legatees, in equal shares, and thereby enlarged their respective spheres of usefulness. The sum to be realized by the asylum from this source has not been as yet fully determined, and, as directed by the will, the amount is to be kept separate from other assets, and called "The Laurie Fund," as a perpetual memorial of his sainted mother, who had held official relations to the institution. In order that the usefulness of the institution might keep pace with its increase of means, the trustees were constrained to build the S street annex, the plans for which were submitted to the board of trustees, and also to the lady managers, and by both boards approved. Contracts for the work were made by the building committee under date of March 25, 1881, the work to be done under the supervision of the

architect of the building committee. By the plan a "Hall memorial" was provided for, in which may be preserved, as long as the building may remain, cherished memorials of its departed patrons.

Mr. Harkness's sketch closes with the year 1885. During 1886 the institution lost 6 children with diphtheria and had 40 cases of the disease, which were traced to the unsanitary condition of the basement. The matter was at once remedied, and while the building was in process of repair the board rented Ingleside for the summer, to the great benefit of the children. In 1887 Mr. E. F. Andrews gave to the asylum a copy of Stewart's protrait of Mrs. Madison, the first directress. Mr. W. W. Corcoran, with his accustomed generosity, gave the frame and appropriate easel for the portrait, and interest was added to the occasion of the presentation by the fact that Mrs. Cleveland, the wife of the President, unveiled the portrait. The managers having decided in 1882 that no girl should leave the asylum until she was 18 years old, except for adoption or because of incorrigibility, in 1888 6 girls were graduated from the dressmaking department and immediately found satisfactory places. Six other girls found employment in private houses, 6 children under 6 years old were adopted, and 17 were returned to friends who had become able to take good care of them. A very serious blow to the asylum this year was the death of its life-long friend, Mr. W. W. Corcoran, who had given the lot on which the Home was built, and who had aided largely in erecting the buildings, besides invariably sending gifts for Christmas, Thanksgiving, and May Day. Mr. Corcoran left a bequest to the institution, the income of which is used annually to provide a Christmas tree and dinner and a May-Day feast.

During 1889 Mrs. Sarah Utermehle left the institution $2,000, and in 1891 Mr. William Thompson made a gift of $5,000 to establish the Thompson fund.

The annual report of the asylum for 1896 shows that on January of that year there were in the institution 139 children—89 girls and 50 boys. During the preceding year 25 children were received (18 girls and 7 boys) and 61 children (35 girls and 26 boys) were dismissed, 6 of the girls having attained the age of 18 years. Forty-three children were returned to friends, 2 boys were sent to the Reform School, 5 children were provided with homes, and 3 died. The treasurer's report shows that during the year $680.33 was contributed to the support of the Home. This small sum, says the secretary, Mrs. Jane L. Stone Harrison, proves the existence of a general but erroneous impression that the legacies which have been received from time to time by the Washington City Orphan Asylum are sufficient to meet all demands made upon the institution. The latter, indeed, has cause for gratitude for endowments well invested by the board of trustees, but the interest on these funds is far from meeting the expenses necessary to the care of a greater number of children than are now with the institution. More children could be received, with its present appointments and

service, if the limited income did not make it necessary to refuse admission to the increasing applications. The receipts from all sources for the year were about $13,000 and the expenses were something over $14,000, thus making an encroachment on the invested funds of the institution. An earnest appeal is made to the public for increased gifts.

One reason for the extended space that has been given to the history of the Washington City Orphan Asylum is to show how large a work has been done without Government aid and also to call attention to the fact that the accommodations of the asylum are sufficient for an increased number of inmates, thus suggesting the idea that instead of starting new institutions it might be well for those benevolently inclined to build on foundations already firmly laid.

II.

St. Vincent's Orphan Asylum was established by the Rev. Father Matthews and the Roman Catholics of Washington about the year 1825, and was incorporated by the act of February 25, 1831, which named as incorporators William Matthews, Matthew Deagle, Peter S. Shreiber, Thomas Carberry, and William Hickey. The act makes the provisions usual at that time as to acquiring and holding real and personal property, but provides that "the clear annual income of property to be acquired by the corporation shall at no time exceed the sum of $5,000." The act further provides for a yearly meeting in the month of June of the regular annual contributors, at which those persons by the by-laws qualified to vote shall elect 9 female managers, who shall appoint a first and second directress. Parents, guardians, or friends of children may place them in the asylum until they reach the age of 21 years, if males, or 18 years, if females; and the asylum may receive children who have neither friend nor protector. The power of binding out children was given, and provision was made for schools. The asylum was located at the corner of Tenth and G streets northwest, the site now occupied.

The only aid ever received from the General Government was that granted by the act of July 14, 1832, which directs "the commissioner of public buildings to select and value such of the building lots and parts of lots owned by the United States in the city of Washington as he shall think may be brought to market and sold to the greatest advantage, to the amount of $20,000, which he shall divide and separate into two parcels of $10,000 worth each, one of which, at his election, he shall convey to the Washington City Orphan Asylum and the other to the St. Vincent's Female Orphan Asylum of Washington, and to the successors of each forever." These lots were exempted from taxes for five years, unless sooner disposed of, and might be sold or leased, the proceeds of the sale or rents not to be applied to any other objects than the purposes of the institutions named.[1]

[1] United States Stat. L., vol. vi, p. 512.

III.

The St. Joseph's Male Orphan Asylum was organized at a meeting held October 13, 1854, and was incorporated by the act of February 6, 1855, the incorporators being Thomas Carberry, James S. Harvey, Thomas Feran, Gregory Ennis, Nicholas Callan, Hugh B. Sweeny, John Carroll Brent, Richard H. Clark, and William H. Ward. The object of the institution was charity and education. The incorporators were empowered to hold property not exceeding in value $100,000 at any one time. The corporation was forbidden to issue any note, token, device, scrip, or other evidence of debt to be used as currency, and each of the trustees was made liable in his or her individual capacity for all the debts and liabilities of the company, however contracted or incurred, to be recovered by suit as other debts or liabilities before any court of competent jurisdiction.

The asylum was established by the united contributions of the different Catholic congregations in Washington and was placed under charge of the Sisters of the Holy Cross. The institution was first opened in a house on the southwest corner of H and Thirteenth streets, on the 14th of September, 1856, where it was continued for about three years. It was then moved to a house on the north side of G, between Twelfth and Thirteenth streets, and subsequently removed to a building purchased by the trustees, on the corner of Tenth and F streets, where it remained until removed to a house on H street, between Ninth and Tenth streets, bought from the Washington Orphan Asylum. In 1867 the asylum supported 60 orphans and half orphans, and a day school for small boys was also maintained.

The institution occupies 18,770 square feet, which is assessed for $24,401. The assessed value of the buildings and other improvements is $20,000. The only aid received from Congress is an annual appropriation of $1,800. The number of inmates on January 1, 1897, was 105, of whom 33 have been admitted during the year. The number of children placed in free homes during the year was 11, and the number restored to parents or relatives 31. Male white children between the ages of 6 and 14 are admitted. Besides the Congressional appropriation of $1,800, $3,455.28 was received during 1896 from solicitation, subscription, and donation, and $1,056.22 from private gifts, making a total income of $6,311.50.

For forty-two years after the incorporation of the asylum the total amount of money received from the Government was about $7,200, and the average number of boys cared for was 127. Orphans come mainly from St. Ann's Infant Asylum, being turned over to St. Joseph's at the age of 6 years, and retained until they are 14 years of age, when positions are obtained for them if possible. The institution is under the management of Sister Euphrasia.

ST. VINCENT'S FEMALE ORPHAN ASYLUM.

ST. JOSEPH'S MALE ORPHAN ASYLUM

IV.

The National Soldiers and Sailors' Orphan Home owed its existence to the philanthropic efforts of the ladies of Washington City, prominent among them being Mrs. J. S. Carlisle, Mrs. William B. Todd, and Mrs. Robert Farnham. The object of the institution was to provide a home and education for orphans and half orphans of soldiers and sailors who have been in the service of the United States. Children of either sex under 12 years of age were received. The project took shape at a meeting held January 10, 1866, and the first board of directors consisted of Mrs. William B. Todd, Mrs. David T. Patterson, Mrs. E. C. Carrington, Mrs. James Harlan, Mrs. Gideon Welles, Mrs. David A. Hall, Mrs. James Speed, Mrs. Robert Farnham, Mrs. J. C. Smith, Miss Sarah Wood, and Miss L. Howard. The directors and friends of the charity projected a large fair to be held in Washington to raise funds for the purposes indicated. Committees were formed, and an organized canvass was made through the States and Territories for contributions to the fair and general fund. A temporary frame building was erected on the public reservation at the corner of Pennsylvania avenue and Seventh street, where the fair was held with good success.

In September, 1866, the institution was opened, and in the following November a more desirable house was obtained at the corner of B street north and Second street east.

The institution was at first entirely dependent for support upon the funds raised from the fair and voluntary contributions by its friends throughout the United States. During the first year it provided for about twenty-six children, the orphans of soldiers and sailors, admission being through the members of the board of directors. The officers of the institution were Mrs. Ulysses S. Grant, president; Mrs. William T. Sherman, first vice-president; Mrs. General Williams, second vice-president; Mrs. Henry D. Cooke, treasurer; Mrs. H. C. Fahnestock, assistant treasurer; Mrs. J. C. Carlisle, secretary; Mrs. Charlotte Taylor, assistant secretary; Miss Ann Sherman, matron; Dr. S. J. Todd, physician; Dr. N. S. Lincoln and Dr. G. M. Dove, consulting physicians.

[1]The first appropriation made by Congress for the support of this institution was contained in the act of March 30, 1867, the amount being $5,000. In 1868 an appropriation of $10,000 was made, a like sum being appropriated in 1869, with the provision that the funds should be disbursed under the direction of the Secretary of the Interior instead of under the direction of the officers of the institution. The appropriations for 1870, 1871, 1872, and 1873 were $15,000 each year. In 1874 the appropriation was $11,350.97, the next year $12,000, and in 1875 $10,000.

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[1]The National Soldiers and Sailors' Orphan Home was organized under the act of July 25, 1866; amended by the act of February 22, 1867.

During the year 1874 the managers of the Soldiers and Sailors' Orphan Home labored under great financial embarrassment owing to the failure of Jay Cook & Co., which deprived them of the appropriation voted them by Congress for the fiscal year ending June 30, 1874, amounting to $11,350. In order to meet the demands of their large household it was determined by the trustees to appropriate the proceeds of some bonds belonging to a legacy from the estate of Mr. Ward, the amount to be returned to the fund when the deficiency appropriation should become available. The school was in charge of Miss Frost. Boys and girls who had reached the age of 16 were returned to their parents or guardians, and two of the eldest boys had situations provided for them at the Springfield Armory. Owing to a provision in their act of incorporation, only destitute orphans of soldiers and sailors who had died in the late war, no children were admitted during the year 1874. The number of beneficiaries in the Home was 42, of whom 24 were males and 18 females, ranging from the ages of 2 to 13 years. The disbursements of the year were about $14,000, of which less than $200 came from donations.

The appropriations for 1878 and 1879 were $10,000 each year. By the act of August 8, 1882, the property of the National Soldiers' and Sailors' Orphan Home was conveyed to the Garfield Memorial Hospital, and the sum of $39,708.03 was realized from the sale after it was turned over to the hospital.

V.

The Church Orphanage of St. John's parish had its origin in the work begun on All Saints Day, 1870, by Sister Sarah, who for eleven years continued to provide for a few destitute orphan children, with such assistance as she could obtain from persons whom she interested in the work. In 1872 the institution had been incorporated under the general incorporation law. In 1881 the Rev. Dr. Leonard, now bishop of Ohio and then rector of St. John's Church, undertook the task of placing the orphanage on a firm foundation. An appropriation by Congress of $10,000 was obtained for the purchase of lands and buildings, and a considerable amount was raised from private sources.

The president of the orphanage is the bishop of the diocese for the time being, and the warden is the rector of St. John's parish. The institution is managed by a board of nine trustees, all of whom, except the treasurer, must be communicants of St. John's Church. A ladies' aid, consisting of 25 ladies of the parish, also assists in the management, and there are two physicians connected with the orphanage. Twenty-six persons have been enrolled as honorary members of the orphanage by the payment of $1,000 each, and the interest ($1,114) on an endowment fund of $22,100 adds to the receipts. During the recent business depression the subscription list was maintained in a manner

CHURCH ORPHANAGE OF ST. JOHN'S PARISH.

ıighly satisfactory to the management and the endowment fund was ncreased.[1]

In the annual report of the orphanage for 1895–96 the rector of St. Iohn's speaks with satisfaction over the partial return made by the ɔrphans for the service rendered them by the people of the parish, in :he organization of a choir of from 12 to 15 children "whose well-;rained voices have dispersed the slight coldness which characterized ɔur former services." "The children," he says, "are enthusiastic and ɔroud to be chosen as members of the 'rector's choir.' The average ıttendance at our daily service is four times what it was before the :hoir was organized; and it is safe to say that the interest of the ɔarishioners in the orphans has largely increased."

Dr. Mackay-Smith further says:

Let me allude briefly to one misfortune which threatens us. For some years we ıave received an appropriation from Congress, not very large in amount, but of ıome importance to an institution conducted so economically as ours. Our services ;o the public well repaid it, because in return for a very small sum given for each :hild, we saved the Government, which must otherwise care for it entirely, an ıxpenditure many times as great. It appears at present as if this appropriation would be withdrawn. In such an event we may be compelled to reduce the scope of ɔur work. Many of our children might then be forced into institutions where no lefinite instruction of a religious nature would be given. We know what this neans. It would result in a child being practically left without religious faith of ıny strong kind to support it in the struggle of life. A child with irreligious ɔarents may still have many chances of cultivating a strong moral life. There will ɔe found relatives, friends, and social ties which bring the boy or girl continually .n contact with Christian teaching or example. But an orphan sent out from an ınstitution where none has a right to teach it any definite religious truth is apt to go almost defenseless against temptation into the world. It has no helpful ties. In this country any child in a public institution is practically bound down to one of three results: It must be brought up as a Protestant, a Roman Catholic, or indiffer-ent to religion. If the Government gives no money to an institution in which the doctrines of the first two of these creeds are taught, it does in effect endow unre-ligion, if not irreligion, however well-meaning may be its intention.

Still, so great are the dangers of giving public money to religious institutions, that I think we should not complain if we were previously warned that in three or five years the appropriation would cease. But we deem it hardly fair to suddenly deprive us of aid, with only a few months' warning, after years of labor in upbuild-ing a home which has done so good a work. We need time to accommodate ourselves to a different policy.

We feel this the more strongly because we have never tried to make our children fanatically attached to any one church, but rather to make them good citizens, with a kindly feeling toward all forms of Christian faith, and an affection for our own.

The main strength of our system of training, after all, has been, we think, that it has taught our inmates not so much through doctrine, as by giving them instructors who are Christians in daily life and conduct. Children are, above all, imitative. They will grow virtuous mainly through "object teaching," as they see those about

[1] The officers are: The Rt Rev. Henry Yates Satterlee, D. D., president; Rev. Alex-ander Mackay-Smith, D. D., S. T. D., warden; Frank W. Hackett, secretary; James G. Payne, treasurer. The trustees are: Rev. Alexander Mackay-Smith, D. D., Robert Reyburn, M. D., Frank W. Hackett, Francis M. Gunnell, U. S. N., Alexander B. Hag-ner, James M. Johnston, William J. Boardman, Edward McCauley, Nicholas Luquer.

them practicing the qualities they inculcate. It is possible to teach even a hundred children in an institution like ours what love and unselfishness and kindness are in this way. And we believe that this is one of the results attained in St. John's Orphanage. May God bless its work, and keep it undiminished.

In their report for 1896–97, the trustees discuss the subject of the annual appropriation by Congress. They state that it had been their hope that in course of time a fund could be built up, the interest of which should support the orphanage without the need of a public appropriation. This fund now exceeds $22,000, and its moderate growth may be expected; but it is beyond the power of the trustees, even with the strictest economy, to provide for the little ones now sheltered without the aid of Congress.

The trustees continue:

As the law now stands, it is announced that from and after "the 30th of June, 1897, no money appropriated for charitable purposes in the District of Columbia shall be paid to any church or religious denomination, or to any institution or society which is under sectarian or ecclesiastical control."

There is just enough here to awaken serious apprehension as to the effect of the declaration upon the long-continued custom of Congress of making a small annual appropriation for the maintenance of the inmates of the orphanage. For some years past that appropriation has been $1,800. It is with pride that we can say that the per capita expense of maintaining a child at the orphanage is less than that in any charitable institution in the District. It needs no array of figures to satisfy the inquirer that the money thus voted by Congress is to the last cent judiciously and economically applied.

The trustees of the orphanage are communicants of St. John's parish, and the bishop of the diocese is ex officio president of the board of trustees. The many duties devolving upon the bishop, however, prevent his taking an active part in the administration of the office. The rector of St. John's parish is warden. In that capacity he presides over the board of trustees (in the absence of the bishop), and is ex officio a member of the board. The children are trained to attend the service of the church. These circumstances lend color to the charge that the orphanage is under sectarian or ecclesiastical control. As a matter of fact, however, the actual control of the institution is vested in the board of trustees, who are laymen, and who have no occasion to consider any question of a sectarian or ecclesiastical nature.

A mistaken opinion is found to exist in the minds of some persons, in that they suppose that Congress gives aid to the orphanage. The expression is inaccurate. What Congress does is to vote money to help pay the expenses of taking care of, feeding, housing, and educating children who otherwise would be a public burden. It acts as the municipal council of the District of Columbia in this regard. The object of the charity is not to build up the church, or to strengthen any sectarian or ecclesiastical body, but to take care of children who otherwise would have to be supported in some public institution of the District.

These considerations, however, need not extend further. They are alluded to here simply to remind those who take an interest in the work that is done at the orphanage that grave responsibilities confront the management, and that it is of vital importance that the claims of the inmates upon the care and attention of Congress should be correctly understood.

Mrs. E. C. Warrington Chubb, secretary of the "Ladies' Aid," reports that there are now in the orphanage 90 children, and there is no room for more. Scarcely a day passes that some application is not refused. She also reports that the cyclone of September, 1896, damaged the

building of the orphanage in the city and entirely destroyed those on the Virginia country home. The damage amounted to $6,000, the greater part of which sum had already been contributed by the generous friends of St. John's parish.

The report of Sister Sarah states that for the purposes of a separate home for the older boys of the orphanage, an attractive house was given "by an untiring friend of the orphanage," and was opened on Ascension Day. The home started with 16 boys, under the charge of the Brothers of Nazareth, and the money needed for the new work was furnished by "a well-known philanthropist."

The report of the treasurer shows receipts of $5,190.22, of which amount $1,800 was received from appropriations by Congress. The expenditures for maintenance were $3,536.07; $200 was paid on the debt on the orphanage of $2,500, and $500 was added to the endowment fund. Besides the regular receipts, $6,329.50 was collected for rebuilding the orphanage country home. Special donations amounting to $497, besides considerable gifts of supplies, also were received.

CHAPTER IX.

INDUSTRIAL SCHOOLS.

THE Industrial Home School was organized on Thanksgiving Day, 1867, by a few benevolent ladies, who began a school in Georgetown, and was incorporated May 5, 1870. On March 12, 1872, the incorporators amended their union, as provided for in the general incorporation act of the District of Columbia, those signing the articles being Messrs. A. M. Gangewer, A. B. Atkins, John Hitz, J. S. Blackford, A. N. Zeverly, M. H. Doolittle, Thomas Taylor, W. W. Dungan, M. V. Buckley, and Walter S. Cox.[1] The by-laws provided for the usual officers and a board of managers, 25 in number, to be elected annually by members of the association, membership being through election by a majority of the existing members. During its first years the school occupied rented quarters, but in March, 1875, the Commissioners of the District of Columbia set apart for its use the buildings and grounds of the Georgetown almshouse, on the Tennallytown road, about 1 mile above Georgetown and adjoining the grounds of the Naval Observatory. The building was constructed in 1830.[2]

In the thirteenth annual report of the school, for the year ending October 29, 1877, the fact is noted that the Commissioners of the District of Columbia had set apart the Georgetown Asylum property[3] for the purpose of an industrial school, where "the children of the unfortunate or depraved could be properly provided for," and the trustees asked the Commissioners to recommend to Congress the enactment of a law, similar to that existing in several States, requiring the District of Columbia to pay to the board of trustees of the school the amount of $2 per week for each inmate of the industrial home. This amount, with some assistance from charitable people, the trustees believed would suffice to carry on the institution successfully, provided the requisite buildings were furnished for mechanical and industrial purposes.

The school already had a steam engine and other machinery, secured by act of Congress in June, 1871; but this machinery was in a rented building more than a mile distant from the then location of the home, necessitating a payment of rent of $250 a year and the loss of much val-

[1] See report of the Commissioners of the District of Columbia for 1886, p. 431.

[2] Report of Commissioners of District of Columbia for 1885, p. 108.

[3] The ground was deeded to the city of Georgetown by Elisha W. Williams July 19, 1830, and was used by that corporation for almshouse purposes.

THE INDUSTRIAL HOME SCHOOL.

THE INDUSTRIAL HOME SCHOOL

, without affording the requisite facilities for proper instruction
nical and other arts. Therefore an appropriation of $10,000
l for the purpose of erecting a suitable building for workshops
nity with plans submitted. Such an appropriation had passed
e of Representatives during the previous year, but, owing to
understanding, it failed in the Senate. This report was signed
Hicks, president, and H. W. Blackford, secretary.
ort of the treasurer, M. V. Buckey, for 1877 showed earnings
50, mainly from tree boxes furnished to the Parking Commis-
e earnings of the home for the maintenance of paupers
l to something over $1,500, while the proceeds from sale of
of the garden increased the amount by $153.77.
fourteenth annual report for the year ending October 30, 1878,
tary, H. W. Blackford, says that the school "has established
eyond question that its aims are practicable, and really con-
the public welfare; yet the trustees are forced to witness the
ng spectacle of organizations in other places, which have fol-
t the ideas of the Industrial Home School, in the space of
our years growing into large and flourishing institutions, with
uildings and surroundings, and affording homes and instruc-
ndreds of children, while the Washington institution is com-
limited means and room to refuse admission to many cases of
applicants who should by all means be rescued from their
condition, and not be left to shift for themselves, and so ulti-
come a burden to the community." She calls attention to the
lic school of Michigan, organized in 1874, that had gone ten
far in four years as the Washington school had in fourteen,
because the people of that State were enthusiastic on the sub-
man progress, and wise enough to see that it will be money
pocket in the end to educate their dependent children, give
ade, and make them useful citizens. It is known to be a fact
who have investigated the subject," she says, "that where
are brought up in large numbers together in institutions devoid
ans of industrial training, both girls and boys are apt to turn
, and in the end tend towards indolence and helplessness."
ildings occupied as a home were sadly in need of repair. The
l department was still in a rented building, more than a mile
from the home, and under the circumstances the trustees
their application for $25,000 for the erection of a workshop
ting the indicated improvements upon the home, already the
of the Government. The report for the year showed receipts
.02, of which amount $3,000 was the first installment of an
ation by Congress.
st report of the Commissioners of the District of Columbia,
l under the act of Congress providing for a permanent form of
ent for the District, approved June 11, 1878, commended to the

liberality of Congress the Industrial Home School of Georgetown. "This charity," they say, "has been founded and chiefly sustained thus far by private benevolence. By permission the school is occupying the Georgetown almshouse, where a small number of District paupers are provided for by an arrangement between the Commissioner of the Washington Asylum and the managers of the home school. The benevolent ladies who have charge of this deserving charity have collected within the walls of the dilapidated building about 50 indigent children of both sexes, whom they are educating in various industries, and for whom they provide homes as soon as they attain sufficient age and qualifications. The workshops connected with the institution contribute largely to its maintenance, and experience thus far has demonstrated the wisdom and beneficence of this plan."

The Commissioners in their annual report for 1879–80 state that the experience of every year of its existence has added fresh evidence of the value and beneficence of the Industrial Home School. During the past year a public school had been established within its walls by the board of school trustees of the District for the benefit of its 50 inmates and the children in its neighborhood. The addition of a third story, comprising a large schoolroom and workshop, had also been made to its accommodations, at a cost of $2,200. Of this sum, its public-spirited and frugal manager had contributed $1,500 from the meager appropriation of $5,000 made by Congress for its maintenance during the fiscal year. Although established, and thus far chiefly maintained, by private benevolence, the school was destined, the Commissioners believed, to solve successfully the important problem of industrial education as a factor in our system of public instruction. These considerations are the more important, in the view of the Commissioners, "because by the influence of labor organizations, the apprentice system formerly in use for the instruction of boys in the various trades and industries had been virtually abandoned."

In the report of the school for 1881 note is made of the resignation of the superintendent, Mr. L. Barnes, and the employment of Mr. W. S. Stockbridge as his successor at an annual salary of $1,000, which amount is to cover the salaries of matron and housekeeper.

The greenhouse had been completed and put into operation, and in addition to the swimming pond a small fish pond had been excavated. A cottage provided for by Congressional appropriation had been built for the sum of $4,606. The board of trustees of the public schools were furnishing teachers for the inmates of the home, and a kindergarten had been established. The living expenses of the home were materially lessened by the success of the garden, in which the boys labored. There were 43 pupils in the school of shoemaking, and the wood-working and sewing schools had been maintained. A fair at the house of Dr. J. F. Appleby, of Georgetown, resulted in securing $120 for hospital purposes.

In the report of the school for 1883, Mr. B. H. Warner, the president, and Mrs. Huldah W. Blackford, the secretary, state that the amount appropriated by Congress, $5,000, for the expenses of the school was entirely inadequate properly to maintain it. Although economy was practiced at every point, the unattractive and poorly adapted building, with the addition of one cottage, compared very unfavorably with the elegant modern buildings used by the Reform School, "where it must be a genuine pleasure for those who go there to remain, and a temptation for them to commit offenses in order to gain admission."

In 1896 the school was transferred to the control of the District of Columbia, as provided in the District appropriation act of June 11 of that year, and the name was changed to the District of Columbia Industrial Home School. The Commissioners appointed as trustees Mrs. Huldah W. Blackford, Dr. James B. Hood, and Miss Mary A. McPherson, for one year; Messrs. William B. Gurley, Bernard T. Janney, and James B. Nourse for two years; Mrs. Emily L. Nourse, Mr. J. B. T. Tupper, and Mr. J. Ormond Wilson for three years. Subsequently Mrs. Blackford and Dr. Hood were reappointed for three years, and Mrs. James M. Flint was appointed in place of Miss McPherson, who had resigned. Mr. J. Ormond Wilson was chosen president, and Mrs. Blackford secretary of the board. In 1897 (act of March 3), the sum of $30,000 was appropriated for a new building, now under construction.

II.

The St. Rose Industrial School, located at 2023 G street NW., was organized March 25, 1872, and incorporated July 20, 1895, under the act of May 24, 1828. It occupies lands 76 by 194 feet, valued at about $6,000, the title being in Sister Clara (Nora Maloney). The value of the buildings and their improvements is about $30,000, of which sum $20,000 was given by Congress, and $2,500 was received from private gifts.

The number of inmates on January 1, 1897, was 66, of whom 19 were received during the year, the capacity of the institution being 75. Twelve girls were restored to their parents or relatives during the year. Admissions are limited to white females 14 years of age. The income from Congressional appropriations for 1896 was $4,500, and the income from the work of the institution—dressmaking and plain and fine sewing—was $3,157.50, the total income being $8,185. There is an indebtedness of $3,845.86. The total cost of maintenance was $12,030.86.

The school is in charge of Sister Clara, and receives orphan girls from St. Vincent's Orphan Asylum at the age of 14 and keeps them until 21, at which age they are expected to be trained in housekeeping, dressmaking, and sewing. After the girls attain the age of 21 employment is found for them in Washington, Baltimore, Philadelphia, or other cities. If they are employed in the District they are supported

[1] On May 4, 1885, Mr. Warner was succeeded as president by Mr. Charles E. Foster who in turn was succeeded by Mr. W. B. Gurley in 1890.

for one month; that is to say, they receive one month's wages in advance, and if they go to another city they are provided with a sufficient sum to keep them for a time.

Since the school was established in 1872 it has been conducted by the Sisters of Charity, six of whom, with Sister Mariana as superior, are on duty at the industrial school, acting as instructors in domestic economy, plain sewing, practical housekeeping, and dressmaking in its different branches. A certain amount of time each day is devoted to study. Morning and evening prayers are conducted at the institution, and the Catholic inmates are required to attend church.

III.

The National Association for the Relief of Destitute Colored Women and Children was incorporated by the act of February 14, 1863, which provides that "Sayles J. Bowen, Daniel Breed, George E. Baker, their associates and successors, being members of said society, by paying into the treasury the sum of $2 annually, or life members by paying $50 at one time, are hereby made a body politic," for the purpose "of supporting such aged or indigent and destitute colored women and children as may properly come under the charge of such association; to provide them a suitable home, board, clothing, and instruction, and to bring them under Christian influence." The usual officers, together with a board of nine members, is constituted the executive committee to carry into effect the plans and purposes of the institution; and these officials are to be elected annually on the second Tuesday of January.

The society is authorized to receive into a house or building provided for it any destitute child or children at the request of the parents or guardians, or next friend, or the mother, if the father be dead, or has abandoned his family, or does not provide for their support, or is an habitual drunkard, such parents, guardians, or next friend, or mother making a written surrender of such child or children. The superintendent or other officer in immediate charge may, with the concurrence of the executive committee, or of a board of trustees to be appointed by that committee (and to consist of three persons, citizens of Washington City), govern the inmates, preserve order, enforce discipline, impart instruction in useful knowledge and some regular course of labor, and establish rules for the preservation of health, and for their proper physical, intellectual, and moral improvement. The trustees also have the power, with the consent of the executive committee, to bind out by indenture such children "as may be deemed capable of learning trades or of becoming useful in other occupations to such persons as will give them the benefit of good examples, wholesome instruction, and other means of improvement in virtue and knowledge, and the opportunity of becoming intelligent, moral, and useful members of society."

Further, the association is empowered, by and with the advice and

ST. ROSE'S INDUSTRIAL SCHOOL.

ent of the Secretary of War, to occupy any lands, not exceeding acres, and the improvements thereon, which the Government might own or thereafter acquire, contiguous to the city of Washington, onfiscation or purchase, such occupation to continue for such a ber of years as the Secretary of War may prescribe.

e association met for the first time on March 15, 1863. The first t of the management was to find a place suitable for the purposes he work and at the same time liable to confiscation. After much iry such site was selected, and on June 1, 1863, by order of the orable E. M. Stanton, Secretary of War, a house and grounds on the hts in Georgetown was set apart for the uses of the association. extensive grounds, embracing about 80 acres, gave promise of help- ecreation for the children, instruction for the youth, and a pleasant e for the aged. A matron was secured, and during the first six ks 2 aged women and 62 children were admitted. Of this number, ildren were returned to their friends and 13 died. The want of se room prevented the admission of a larger number of aged people. the children, 12 were infants, and few of the entire number were in althy condition when admitted. The first teacher at the school was s Maria Mann, who soon had 37 pupils. The want of necessary n for so large a number of children compelled the erection of a tem- ary dining room, laundry, schoolroom, and dormitory in the form barracks. The asylum received from the Secretary of War a lot of demned hospital furniture and bedding; indeed, the supply was ater than the demand. The National Relief Association, of New k, gave $1,000 toward the enterprise, and contributions of clothing l provisions came from a number of the States.

During the first year of the institution Mrs. Potter, of Wisconsin, l Mrs. Pomeroy, of Kansas, two of the originators of the enterprise, d. Mrs. Pomeroy was the president of the institution, and her th at that time was due to the fact that she remained in Washing- during a hot summer to aid in the work that she had started, and would not cease her labors even after her final illness had begun. s. Pomeroy was succeeded as president by Mrs. A. L. Hooper, of ston, and Mrs. E. S. Grimes, the first vice-president, was succeeded Mrs. A. M. Gangewer. Mrs. Webster, the wife of Dr. Webster, the st treasurer, resigned, and was succeeded by Mrs. W. R. Johnson. s. Potter, the first secretary, was succeeded by Miss Emily How- d. The board of managers consisted of the following: Mrs. Henry ilson, the wife of the Vice-President; Mrs. A. H. Gibbons, of New rk; Miss M. A. Donaldson, Mrs. Louisa Howells, Mrs. George E. ker, Mrs. C. C. Leighton, Mrs. Frederick T. Brown, of Washington; ss Anna M. Hooper and Mrs. Samuel Wilkeson, of Boston. The mmittee on ways and means included: Mrs. Harriet Beecher Stowe, n of Andover, Mass.; Miss Elizabeth Peabody and Mrs. Endicott, Boston; Mrs. Eliza Randolph, Miss Margaret Robinson, and Mrs.

Passmore Williamson, of Philadelphia, Pa.; Mrs. Benjamin F. Wade, of Ohio; Mrs. Dawes Elliott, of New Bedford, Mass.; Miss Bright, of Madison, Wis.; Mrs. S. F. Headley, of New Jersey; Mrs. L. L. Rice, of Ohio; Mrs. E. D. E. N. Southworth, of Georgetown; Mrs. John Jolliffe, of Washington; Mrs. H. Bridge, Mrs. G. Breed, and Mrs. H. D. Cooke, of Washington; Miss E. D. Thomas, of Union Springs, N. Y., and Miss Phebe Jane Howland, of Aurora, N. Y.

The receipts for the first year were $3,476.68, all of which amount came from private sources, and a balance of $1,606.06 was carried forward to the next year. Much of the money collected for the support of the enterprise was gathered in the vicinity of Boston by Miss Peabody and others. In 1864 Mrs. T. D. Elliott, of New Bedford, Mass., was made president.

The report for the year 1865 relates that the committee on management, on assuming their duties at the beginning of the year, found at the home 47 children, 13 of whom were confined to their beds by illness, and the others, with few exceptions, were suffering from cutaneous and other diseases, caused by improper diet and want of cleanliness, the last named being a result in part of the lack of a supply of water on the premises. Water was introduced from the reservoir, and a complete change of diet and a new matron brought about a thorough reformation. In February Miss Robinson, sent as a volunteer teacher by the Freedman's Aid Society of Worcester, Mass., took charge of the school. Rations were supplied to the home during February through the influence of Senator Pomeroy and were continued by the order of Gen. O. O. Howard, in charge of the Freedmen's Bureau. In July a communication was presented to the trustees from R. S. Cox, asking that the association vacate the premises then occupied as the Home in consideration of receiving $1,000. This application resulted in the following letter being sent to the President of the United States:

To His Excellency ANDREW JOHNSON,
President of the United States.

SIR: Believing that the petition of Richard S. Cox, late of Georgetown, D. C., for pardon, has been presented for your consideration, we beg respectfully to lay before you the following facts: Richard S. Cox, immediately previous to the rebellion, held a clerkship in the office of the Paymaster-General of the United States Army. In 1861, when the employees of the Government were required to take the oath of allegiance, he refused and left for the South without resigning his position. Mr. Cox held also the commission of colonel of the Eighth Regiment of the District Militia, having been placed there by Secretary Floyd just before the inauguration of President Lincoln, in the place of Colonel Cruickshank, a man of undoubted loyalty and respectability. In the rebel service R. S. Cox held the rank of major until the surrender of General Lee. After the abandonment of his property on Georgetown Heights it was, on representation of the facts, turned over by the Secretary of War to the lady managers of the National Association for the Relief of Destitute Colored Women and Children. Since their occupation there has been expended on the premises nearly $3,000, while every care has been taken to keep the property in at least as good condition as when it was placed under the care of the association. In view of these facts, and also remembering the situation of the capital when Mr. Cox

NATIONAL ASSOCIATION FOR THE RELIEF OF DESTITUTE COLORED WOMEN AND CHILDREN.

deserted it—his position rendering this peculiarly disgraceful, without the excuse of State allegiance, which has been pleaded by so many—we beg leave earnestly and respectfully to protest against the restoration of this property; and, in conclusion, will add that these statements can be vouched for by parties of undoubted respectability if required.

Most respectfully submitted by your obedient servants.

Mrs. M. C. HART, *Vice-President;*
Mrs. GERMOND CRANDELL, *Treasurer;*
Mrs. W. L. NICHOLSON, *Secretary,*
of National Association for the Relief of Destitute Colored Women and Children.

In September an order was obtained from the Attorney-General for the District attorney to proceed with the confiscation of the property, but difficulty was experienced in obtaining the necessary information for the purpose of securing condemnation, and application was made to the Freedmen's Bureau for the postponement of action on the application of Mr. Cox for pardon.

In June, 1866, the President of the United States granted a pardon to Richard S. Cox, the owner of the property that had been for nearly three years occupied by an asylum, and on August 17 General Howard informed the management that the President had requested him to procure a place for the orphans in order to restore the estate to Mr. Cox. Two months were granted by the President during which to make the removal. Five lots of land on Eighth street, west of the northern boundary of the city, were then purchased from Mr. Wright for the sum of $2,500. On this site a building was erected by the Freedmen's Bureau, designed to accommodate 225 inmates. Into this unfinished building the orphans were driven from the asylum by the former owner, who, on taking possession, dismantled the dwelling of doors and windows, removed the furniture, and made it unsafe for the occupants to remain. Mr. Cox, not satisfied with receiving a pardon and regaining possession of his place, sued the association for damages done to the property to the amount of $10,000.

During 1867, among the donations mentioned was $282.50, the proceeds of the sale of an afghan presented by Mrs. Abraham Lincoln, and $14.75, the proceeds of a portfolio, flag, and watch case, coming from the same source. The Bangor (Me.) Freedmen's Aid Association paid the salary of a teacher for thirteen months ($325), and the sale of a ship presented by the Hon. George T. Brown, Sergeant-at-Arms of the Senate, brought $125. In all, the donations for that year amounted to $5,142.50. It was not until 1869 that the Government contributed to the support of the institution. Since that time, however, appropriations have been made regularly for its maintenance. So far as can be learned, the presidents of the association from its beginning have been as follows: 1863, Mrs. Pomeroy, of Kansas; Mrs. A. L. Hooper, of Boston; 1864, Mrs. T. D. Elliott, of New Bedford, Mass.; 1865, Miss Margaret Robinson, of Philadelphia; 1866, Mrs. Benjamin F. Wade, of Ohio; 1869, Mrs. S. C. Pomeroy, of Kansas.

The annual report of the National Association for the Relief of Destitute Colored Women and Children for the year ending January 1, 1897, states that that was the first year since the establishment of the Home in which there had been no death. The schools were stated to be doing good work under experienced teachers. Miss Storum, the industrial teacher for fifteen years, resigned and died during the year. Eighteen children left the school during 1896. Of these, 7 boys and 3 girls were indentured, 2 boys and 2 girls were adopted, and 4 girls were returned to parents. The supervision of children placed in families was kept up as well as possible with the facilities that the school was able to command. In several cases during the year children were transferred to other homes with good results. The report states that quite a number of those who left the school, on being indentured, return to Washington when the term of their indenture expires. In the industrial room the public-school methods of sewing with graded classes was introduced, with the result of decreasing the number of garments made by the scholars, in comparison with former years, but with a betterment in the character of the work.

Carpentering was carried on at the Home during the summer, but no plans have been formed for continuing this branch of work all the year round. The Home receives a certain number of the wards of the Board of Children's Guardians. The cost of maintenance for the year was $10,117.90. The direct appropriation was $9,900, and the Home received from the Board of Children's Guardians $1,425.66. With the exception of $22.30, the school derived its entire support from public moneys. The whole number of dependents in the institution on January 1, 1897, was: Women, 10; boys, 51; girls, 38; total, 99. The officers for 1897 were President, Mrs. M. S. Pomeroy, who has occupied the position since 1869; Miss L. S. Swan, vice-president; Mrs. B. G. Francis, treasurer; Mrs. A. M. Purvis, secretary; Mesdames E. G. Dole, A. M. Edgar, A. P. Shadd, H. A. Cook, L. S. Doolittle, J. W. Scudder, H. M. Hatch, M. L. Meriwether, F. T. Baxter, board of managers; Mr. John F. Cook, Dr. C. B. Purvis, and Mr. F. L. Grimke, trustees; Miss C. L. Franklin, matron; Miss H. E. Hood, assistant matron; Miss N. A. Plummer, Miss Eleanor Robinson, Miss Sarah F. Bullard, teachers; Mrs. A. E. Williams, kindergarten teacher; Dr. James M. Wilder, physician.

IV.

The Newsboys and Children's Aid Society was organized on January 24, 1885, by a few persons who realized the necessity of such an institution, among them being the late Chief Justice Waite and the late Justice Miller, of the Supreme Court of the United States. It began operations in a part of a room occupied by the Humane Society, and at first confined its benefactions to the newsboys of the city. During the twelve years of its existence the society has grown from its small beginnings until now it owns a site 60 by 125 feet, at the corner of

THE NEWSBOYS' AND CHILDREN'S AID SOCIETY.

Third and C streets NW., on which is a valuable house. The land and building are worth about $25,500. Also at the rear of the property is a new and excellently equipped gymnasium, over which is a hall used as a schoolroom, all built at a cost of $5,500. In this building are 15 sleeping rooms for the accommodation of the boys who desire a bed for the night. Newsboys to the number of from 125 to 150 use the institution as an evening gathering place, where they receive instruction both mentally in the school and reading rooms, and physically in the gymnasium. There are also bathrooms for the use of the boys. The gymnasium was opened on October 27, 1896, with appropriate exercises, including addresses by Justice Harlan, Postmaster-General Wilson, Dr. Gallaudet, and Dr. Makay-Smith, the president of the board of trustees. The institution is known as the George Maulsby Memorial Home. The land was given and the buildings were secured within the limit of the legacy of Mrs. Anna M. Maulsby, amounting to $30,000.[1]

Children are taken to the home by destitute mothers, by the Board of Children's Guardians, or by the police. As the children are generally at the Home but a limited time, they are not sent to the public schools, but are instructed in the fundamental branches by the assistant superintendent. Singing lessons, given in the evening, are shared by the newsboys. The older children are placed at service, as far as possible; and those who earn wages pay something into the home treasury. There are 15 rooms, 5 by 9 feet, devoted to the occupancy of this class of boys. The cost of furnishing a room is $18, a single bed, a chair and table, a mirror and a strip of carpet constituting the furnishings. Small as the rooms are, each has a closet. The room belongs to the boy so long as he complies with the conditions and rules of the house.

In the main building there are 45 beds. The cost of furnishing is $15 each. Thirteen of these have already been furnished by the following friends: Miss Dixon one, in the name of Elsa Welling; Mrs. J. C. Welling one, in the name of Willie Welling; Mrs. Clover two, in the names of her two little daughters Dora and Beatrice; Mrs. McLanahan one, in the names of Rosalie and Sherwood S. Day; Major Jacobs's "three boys" one; and one each by Mrs. Chute, Mrs. Myers, Rev. Mr. and Mrs. Howell, Mr. C. Lawrence Perkins; Mrs. Marcus Kimball, of Boston, in the name of her little boy Day Kimball; and two by Miss Welsh, of Philadelphia.

Ladies of the society, aided by able volunteer workers, have spent

[1] The codicil to the will of Mrs. Maulsby is as follows:

MARCH 23, 1892.

I bequeath thirty thousand dollars ($30,000) to the "Newsboys'" and "Children's Aid Society," for the erection of a suitable building for the use and accommodation of the children and newsboys befriended by that society. This building is to be denominated "The George Maulsby Memorial Home," in memory of my husband.

ANNA M. MAULSBY.

IDA CORSON, *Witness.*

many evenings in entertaining and instructing the boys, and have reported large and increasing attendance at the meetings. Two friends have furnished the reading room with rugs, reading table, eight chairs, three rocking-chairs, window shades, muslin curtains, and brass rods. This room is kept open throughout the day for any idle newsboy.

Twelve of the bedrooms in the new building have been furnished by the following: Dr. Mackay-Smith three, one in the name of each of his daughters, Virginia, Helen, and Gladys; Mrs. Murray Addison one; through Mrs. Gallaudet one, and the "Phemus" Club one, and one each by Miss Ward, Mr. H. B. F. Macfarland, Mrs. Hagner, Mrs. E. Bergland, of Baltimore, Md.; Dr. H. M. Skillman, of Lexington, Ky.; and Mrs. C. W. Richardson. Four more beds in the main building have also been taken, one by Mrs. E. N. Waters as a memorial bed, and three by Mrs. Cunningham in the names of her three little grandchildren, Cecil, Machlin, and Jane Chester.

Donations have been made for the furnishing of the gymnasium, as follows: Miss Corson, $50; Mrs. McLanahan, $25; Mrs. Cunningham, $10; Mrs. Heald, $5; Mrs. Dr. Richardson, $5; Rev. Mr. Cornell, $3; Mrs. Leiter, $5; Miss Ward, $5; Mrs. John Hay, $5; General Whittlesey, $5, and the Evening Star Newspaper Company, $100. Mrs. Teel has given $5 toward the expenses of a teacher for the gymnasium.

About half of the children in the home are wards of the board of children's guardians. The superintendent, Miss B. Mordaunt Wilson, says:

> We never have at any time refused to admit any of the wards. I emphasize this, because it is worthy of notice that at any hour they may come to us, and at any age; and only when I have reason to believe they have been living for a long time immoral lives, have I advised that special provision be made for them at some suitable place; but I have kept them always till the agent of the board of children's guardians had made suitable preparation for them, though it has been necessary in dealing with such cases to give a room intended for perhaps six children to the one special ward of the board, and I have often had three rooms at a time used solely for such cases.
>
> No child has ever been refused admittance to our home because he could be classed among bad boys. Whenever I have thought a girl or boy was not showing the improvement to be expected after a course of training, I have invariably reported it to those specially interested in that case. I have not considered the bearing on my own methods, but wholly the child's good. I have rarely so failed; but when a girl or boy reaches 15 years of age undisciplined, untrained, fifteen years in which he or she has been allowed untrammeled liberty, then it is a question how much we can really help such. Help them back to the innocence of childhood? Never! But help them we may to gain something of manhood or womanhood; something of decency and honesty and uprightness; and of such sad cases we may say they ought not to be placed where there are many young children.

During the year ending October 31, 1896, the home served 10,252 free meals, and 3,412 free lodgings, 23,959 meals partly paid for, and 7,982 lodgings partly paid for. The receipts for the year ending November 13, 1896, were $4,910.95, of which sum $2,235.41 was paid by the board of children's guardians; $500 was one-half of the $1,000 appropriated by Congress, and $352 was paid by children boarding in

the home. The cash donations amounted to $569.50, and the membership subscriptions to $377.50. The donations of clothing and provisions were very numerous. The society has 12 life members (including 3 present members and 3 ex-members of the Senate) who have contributed $50 each; 28 sustaining members who pay $5 a year, and over 100 members who pay $1 annually.[1]

V.

On August 31, 1879, the congregation of the German Lutheran Church "Concordia" made an appeal to the German-American citizens of the District of Columbia for the erection of a German orphan asylum that should be nonsectarian in its character. Within a month from the time the appeal issued the undertaking was upon a solid basis, and on September 20, 1879, the asylum was incorporated under the general incorporation act. A site, comprising 32 acres of ground, was secured on Good Hope Hill, Anacostia, at a cost of $20,000, one-half of which sum was given by the Government. After the ground had been purchased and the original building had been erected, it was found that the title to the property was defective. The attorney who examined the matter had overlooked a very important fact, in consequence of which an additional payment was required. The Government, having made the selection of the attorney who examined the title, paid one-half the additional amount. Of the twelve directors elected in September, 1879, and who witnessed the opening of the asylum on the 13th of October of the same year, Dr. John Walter and William and Louis Kettler are still members of the board.

The early records of the asylum are not available; but it appears that in 1884 the president was Louis Kettler; the vice-president, Charles Graff; the secretary, Maj. J. E. Weyss; the treasurer, John L. Vogt, and the financial secretary, Gustave Hartig. In 1886 Mr. Kettler was succeeded as president by Jacob José, who now occupies that position.

During the first nine years of its existence the German Orphan Asylum furnished a home for 139 orphan children. A considerable

[1] The officers are: President, Mrs. T. S. Childs; vice-presidents, Mrs. Teller, Mrs. McCulloch, Mrs. Cunningham, Mrs. McLanahan, Mrs. Gallaudet, Mrs. Myers, Mrs. Hamlin, Mrs. Armes, Mrs. J. C. Breckinridge, Mrs. Mackay-Smith, Miss Corson; recording secretary, Mrs. R. H. Atwater; corresponding secretary, Mrs. N. A. Robbins; treasurer, Mrs. I. F. Macfarland; auditors, Mr. J. B. T. Tupper, Miss F. G. Childs; superintendent of home, Miss B. M. Wilson; attending physician and surgeon, Dr. A. R. Shands.

The members of corporation are: Crosby S. Noyes, Edward M. Gallaudet, James K. McCammon, Thomas S. Childs, Alex. Mackay-Smith, Henry B. F. Macfarland, George W. McLanahan, Mary H. Myers, Henrietta C. Metzerott, Mary E. Hood, Mrs. George W. Childs, Rose A. Foster, Jane L. Childs, Artemisia H. Thomas, Helen W. King.

The board of trustees are: Alex. Mackay-Smith, D. D., president; T. S. Childs, D.D., vice-president; E. M. Gallaudet, LL. D., Crosby S. Noyes, Mrs. G. W. McLanahan, Mrs. M. E. C. Wilbur, Miss Ida Corson; H. B. F. Macfarland, secretary; J. B. Wight, treasurer.

number of these children attended the public schools of Anacostia, others receiving instruction in the asylum. During its early years the asylum had no established funds, but was dependent on the liberality and the generosity of the people, by whose gifts it was maintained. Two ladies' societies were organized to assist the directors, both in the government of the institution and in the matter of raising money. Dr. J. Stewart Harrison, of Anacostia, and Dr. Walter acted as the attending physicians.

Having at its command a large amount of land, the products of the farm each year were considerable in the shape of chickens, eggs, milk, butter, fruits, and vegetables. The bakers and butchers of the District made large donations of bread and meat, and among the gifts in 1888 is an item of $100, four turkeys, ice cream, and cakes from Mr. W. W. Corcoran; and hundreds of German citizens made contributions of articles useful in the institution.

In 1889 the directors announced to the society that the resolution, passed ten years before, to erect a fireproof building well adapted to the requirements of an orphan asylum was near its accomplishment. Generous donations from individuals and an appropriation of $10,000 by Congress enabled the work to be started during that year. The building committee consisted of Messrs. Simon Wolf, John L. Vogt, Anton Eberly, Jacob José, and John E. Weyss, and the architect was Mr. C. A. Didden. The building has a front of 100 feet by a depth of 52 feet, and contains accommodations for 80 children. It was placed in front of the old building, which was made an addition to the new. The supervision of the new structure was in charge of Messrs. George J. Seufferle, J. L. Vogt, Charles Ruppert, A. Eberly, J. J. Appich, Charles Mades, Simon Wolf, J. José, Maj. J. E. Weyss, and Mesdames E. Posche and R. Botsch, representing the ladies' societies. The contract for building was intrusted to Mr. William Lawson, and the corner stone was laid with appropriate ceremonies in the presence of a large gathering on February 9, 1890. The cost of the entire building was $30,601.75, of which amount Congress gave in all $16,000, the remainder coming from private contributions. Among the larger subscriptions were: Mrs. George W. Utermehle, $2,000; C. Heurich, $1,000; C. H. R. Ruppert, $500; George J. Seufferle, $500; Jacob José, $400; Anton Eberly, $350; John L. Vogt, $300; Simon Wolf, $200; Dr. J. Walter, jr., $200; Albert Carey, $200; W. B. Moses & Son, $200; Andrius Loeffler, $200. The furnishings of the new asylum were supplied by the Ladies' Aid Society and the Ladies' Sewing Society.

On November 12, 1890, Mr. Charles Graff, who had been the vice-president of the institution since its organization, succeeded to the presidency. Mr. Christian Ruppert, who was one of the organizers of the movement and who had been on the board of trustees from the beginning, died on August 6, 1891, and his interest in the institution was shown by a legacy of $5,000. During the same year the asylum

THE GERMAN ORPHAN ASYLUM.

THE GERMAN ORPHAN ASYLUM.

lost, through death, the services of Mrs. Caroline Wolf, the wife of Mr. Simon Wolf, who is mentioned in the report as "a true and steadfast guardian of the institution, and a warm-hearted, kind, and open-handed friend of the children." During this year also fourteen children were admitted, regardless of nationality, upon the recommendation of Mr. S. Wilson, the agent of the Humane Society of the District, and during the year ending December 30, 1892, nine others were admitted at the request of Mr. Wilson, only one of whom was of German descent.

During the year 1892 the association found it necessary to restrict visiting to one afternoon a week. "For years," says the report, "people were accustomed to find on the other side of the river, on Anacostia's 'Good Hope Hill,' an open house, ready and willing to receive and entertain at any day of the week, Sundays included. Valuable time, etc., properly belonging to the asylum and the children, was thus devoted to visitors and friends of former employees without any scruples or reflections of wrong."

During the same year a legacy of $5,000 was received from Mr. George J. Seufferle, in addition to the gift of $1,000 from the same gentleman during the previous year. Also through the kindness of Mr. S. Zickle, a New York bookseller and publisher, the institution received a valuable contribution of German literature.

During the fiscal year 1894 the asylum lost two of its most steadfast friends by the death of Mr. John L. Vogt and Mr. Gustave Hartig. Mr. Vogt bequeathed to the institution $1,000. During the fiscal year 1896 Mr. Jacob José was again elected president, in place of Mr. Charles Graff, who declined reelection. The membership list of the association numbered 160 persons, each paying $5 a year toward the support of the institution. The asylum closed the year with a population of 42, 22 of whom were boys and 20 girls. Nine children left the asylum to be returned to surviving parents, relatives, or guardians. Those inmates who had arrived at school age attended the public schools of Anacostia and Good Hope Hill. The receipts for the year amounted $4,371.55 and the expenses to $3,630.92, leaving a balance of $740.63. The Congressional appropriation for the year was $1,800. The interest on the legacy of Mr. George J. Seufferle amounted to $360, and there was interest from the building association amounting to $237.14. Delegate fees of $25 each were received from the Arminius Lodge, the Butchers' Association, the Germania Maennerchor, and the Washington Saengerbund. The invested funds of the association amounted to $9,419.

The officers for the year were as follows: President, Jacob José; vice-president, Fred. Imhof; secretary, Edward W. Koch; treasurer, E. F. Treiber. Board of directors: Jac. J. Appich, Geo. J. Bessler, Geo. Breitbarth, C. A. Didden, Chas. Graff, Chris. Heurich, Fred. Imhof, J. José, Louis Kettler, Wm. Kettler, Werner Koch, Chas. Mades, Chas. G. Rogier, John F. Schneider, Geo. J. Seufferle, E. F. Treiber, John Walter, M. D., Simon Wolf. Delegates: Ladies' Aid

Society, Mrs. Rosa Botsch; Ladies' Sewing Society, Mrs. M. De Grain; Butchers' Benevolent Association, Chas. Schroth; Washington Saengerbund, Jos. Colignon; Arminius Lodge, No. 25, F. A. A. M., Wm. F. Meyers; Germania Maennerchor, B. F. Schubert. Superintendent, Henry Ermold; matron, Mrs. Elizabeth Ermold. Ladies' Aid Society: President, Mrs. Rosa Botsch; first vice-president, Mrs. C. Barthel; second vice-president, Mrs. W. Dunkhorst; recording secretary, Mrs. R. Kettler; financial secretary, Mrs. M. Boettcher; treasurer, Mrs. C. Schaefer. Ladies' Sewing Society: Honorary president, Mrs. Emma Poesche; president, Mrs. M. De Grain; first vice-president, Mrs. W. Muehleisen; second vice-president, Mrs. L. Sondheimer; secretary, Mrs. Bertha Caron; treasurer, Mrs. Emma Klakring.

THE WOMEN'S CHRISTIAN ASSOCIATION.

CHAPTER X.

INSTITUTIONS FOR WOMEN.

THE Women's Christian Association was incorporated under the general incorporation laws of the District of Columbia on December 3, 1870, by Mrs. William Stickney, Mrs. John C. Smith, Mrs. Z. Richards, Mrs. S. C. Jones, Mrs. George A. Hall, Mrs. J. C. Lewis, Mrs. H. D. Barr, Mrs. C. A. Weed, Mrs. H. Pitts, and Mrs. N. J. Whitney, the object of the association being to afford relief and aid to the destitute, work for those seeking employment, homes for the homeless, sympathy for the friendless, to reform and restore the fallen, and to bestow such Christian benevolence upon the needy as their means would allow.

Beginning with a small house in the central part of the city, which was opened for the protection of young girls who sought a Christian home, the association removed to the old hospital buildings on Judiciary Square, the use of which was granted by Congress. These quarters were comfortably fitted up, enabling the association to enlarge its work by taking aged women and little children to care for. Employment rooms were opened, and many worthy poor were helped by sewing given out and homes found. These rooms were afterwards closed for want of funds, and were not reopened because the Associated Charities provided for that class of work. From Judiciary Square the association moved to its present location on Thirteenth street, between R and S streets, where it occupied hospital buildings until by the aid of Congress a building was erected suited to its needs.

The report of the Women's Christian Association for 1874 announces that the association has a large and suitable piece of ground, free from incumbrances, on which to erect a home building, and presents thanks to Congress for the appropriation of $25,000. Through the employment committee, relief was afforded to 211 women during the year, 52 being employed in the sewing rooms, and the remainder being supplied with work at their homes. During the year the receipts of this committee, from labor, materials, sales, donations, and the proceeds of a festival, amounted to about $3,000, while the expenditures were about $4,500. Seventy-five children were cared for. The officers were Mrs. William Stickney, president, and Mrs. Thomas Wilson and Laura Sunderland, secretaries.

The act of June 23, 1874, appropriates $25,000 for the Women's Christian Association of the District of Columbia, to be expended for the sole purpose of erecting a building on the ground owned by the association, in conformity with a plan to be prepared by the architect of the Capitol extension, which building, together with its furnishing, should not exceed the sum of $25,000. The Secretary of the Treasury was required to be satisfied that the contract entered into for the erection and furnishing of the building should not exceed that sum, and all payments were to be made by the Secretary of the Treasury directly upon vouchers to be approved by him. The association was required to file with the recorder of deeds in the District of Columbia a declaration that the building and lands on which it was erected should forever be held in trust for the association, without mortgage or security in the nature of a mortgage, for the sole purposes of the association as defined in its charter, of date December 13, 1870; and the filing of this declaration shall be regarded as notice to all persons who shall purchase the property or take any security thereon. The building was erected and paid for from the Treasury Department in 1875 and 1876.

In 1884 the managers of the association were Mrs. Justice Strong, president; Mrs. S. C. Pomeroy, Mrs. E. M. Gallaudet, Mrs. J. W. Thompson, Mrs. Admiral John Rodgers, Mrs. William Stickney, Mrs. Le Droit Langdon, and Mrs. J. G. Ames, vice-presidents; Mrs. C. A. Weed, secretary; Miss Josephine Chester, treasurer; Mrs. C. B. Jewell, register. Mrs. S. C. Pomeroy was chairman of the reception committee, Mrs. S. B. French of the home committee, Mrs. T. P. Keene of the foster-home committee, Mrs. M. A. Copenhaver, of the visiting committee, and Mrs. B. R. Catlin of the devotional committee. The medical officers were Dr. Mary Parsons and Mrs. Dr. M. D. Spackman, and the consulting physician was Dr. J. Tabor Johnson. The officers of the Women's Exchange were Mrs. A. P. Westcott, chairman; Miss F. Woods, vice-chairman; Miss F. E. Chickering, secretary; Miss E. Alley, corresponding secretary, and Miss M. Ballantyne, treasurer.

The report of the home for the year 1883 states that for several years the managers have been considering the feasibility of establishing a Women's Exchange, having for its foundation the true principle of bringing into higher estimation the ordinary avocations of women by making it possible for her to receive a proper remuneration for her work. Such an exchange was established during the year. One hundred and thirty-five women were cared for, besides 12 infants in the nursery. Forty-two women had found places to work, and a few who were trying to care for themselves were accommodated at the home at a low rate of board. In the Foster Home there were 17 children at the beginning of the year and 32 at the close of the year, the average being 26. A kindergarten was established. The Government appropriation was $5,000, and the total receipts were $8,559.26.

The report of the operations of the association for 1896 show that 385

THE YOUNG WOMEN'S CHRISTIAN HOME.

nd 23 children were admitted from the following States and
ı: From California, 3; Colorado, 1; Connecticut, 3; Delaware,
ict of Columbia, 50; Florida, 1; Georgia, 10; Illinois, 1; Ken-
; Maine, 4; Maryland, 34; Massachusetts, 31; Missouri, 2;
npshire, 3; New Jersey, 5; New York, 26; North Carolina, 3;
Pennsylvania, 35; Rhode Island, 1; Texas, 2; Vermont, 2;
, 101; Wisconsin, 1. From other nationalities: Canada, 1;
ι, 1; England, 5; France, 1; Germany, 12; India, 1; Ireland,
ico, 5; Nova Scotia, 1; Sweden, 1; Switzerland, 1; making a
106 women and children cared for during the year 1896.
have been 18,760 lodgings furnished; of these 5,692 were free;
eals were served, of which 16,874 were free. The largest num-
e Home at any one time was in the months of July and Septem-
n it cared for 67. Besides Protestants of all denominations,
ve been in the Home during the year 26 or more Roman Cath-
ome important changes looking toward the greater comfort of
tes were made in the building during the last summer. Six
lrooms were divided into 12 smaller ones, thereby giving to
pants greater independence and privacy. An unusually large
of persons were seeking employment, and the home was able
84 into various positions, some as children's nurses, others as
es, housekeepers, and cooks. The visiting committee dis-
$300 of the association fund during the year 1896, besides
s bequests of money from private sources, all of which was
pay rent or provide food and fuel for 250 families, each and
se being investigated before assistance was rendered; 350 visits
de; 800 garments given out; Christmas and Thanksgiving
were sent to several homes by and through the influence of the
committees. Homes were found for 4 children and employ-
13 persons. The Congressional appropriation was $4,000 and
pts (including $2,616.08) were $4,365.95.
ard of managers for 1897 was as follows: President, Mrs. John
n; vice-presidents, Mrs. Melville W. Fuller, Mrs. Henry B.
Mrs. George Shiras, jr., Mrs. S. C. Pomeroy, Mrs. Thomas
Mrs. Jeannie K. Stickney, Mrs. G. O. Little, Mrs. W. C. Hill,
n Dalzell, Mrs. E. Whittlesey; secretary, Mrs. Walter L. Clift;
, Mrs. Delia A. Freeman; register, Mrs. N. A. Robbins.

II.

t of February 23, 1886, incorporating the board of trustees of
ng Women's Christian Home names as incorporators Mary G.
on, Benjamin H. Warder, Octavius Knight, Thomas P. Morgan,
Blair, Emma E. Dorsey, Nathaniel Wilson, Francis H. Smith,
lls, R. D. Mussey, E. D. Powell, Caroline M. Lawrence, Francis
s, H. A. Hall, Elphonzo Youngs, and Addison M. Smith, and
e object, purposes, and powers of the corporation to "providing

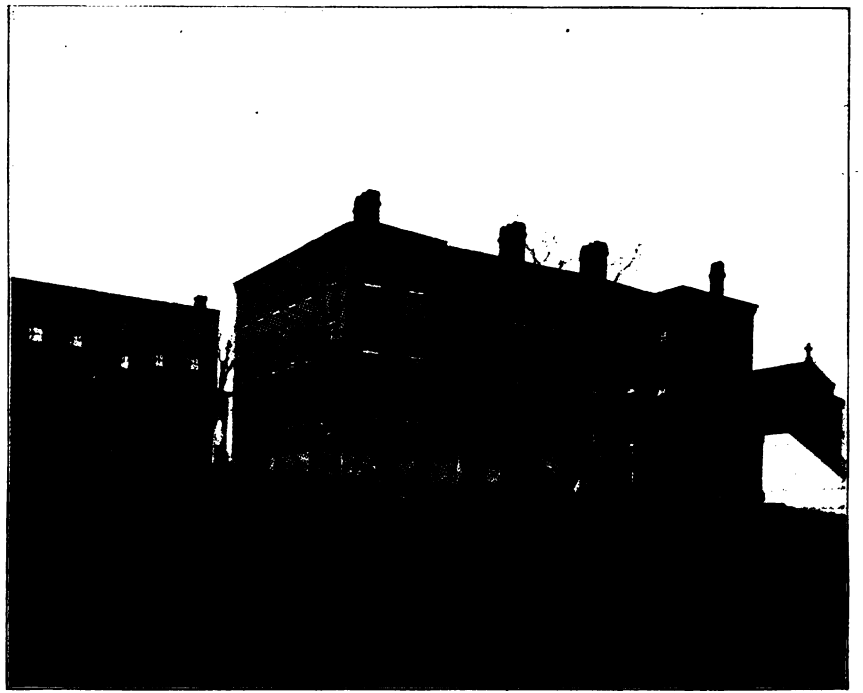
temporary home for young women coming to and being in the District of Columbia, who shall, from any cause, be in want of and willing to accept temporary home, care, and assistance in the said District. For this purpose the corporation has power to take and enjoy real and personal property, endowments, and contributions for the establishment, maintenance, and success of the institution; and also to acquire, take, hold, use, occupy, manage, and own real estate in the said District, not exceeding in its appraised value the sum of $200,000."

The home has been in operation since 1887, occupying premises No. 311 C street NW., the gift of Miss Kibbie. The lands are worth about $10,000 and the buildings about $20,000, on which there is a trust of $8,550 (involving an annual interest charge of $612), the debt being incurred for improvements necessary to adapt the house to the purposes of a home. For the past four years the home has received an annual appropriation of $1,000 from Congress, and in 1896 the total receipts were $4,793.86, including $2,901.23 paid by inmates. The home has 18 life members who have paid $100, 15 honorary members who have paid $25, a sustaining membership of 79 who pay $5 annually; also, it receives the proceeds of various entertainments, besides gifts of money, provisions, and clothing. The age limit is from 16 to 35 years, and there are accommodations for 35 girls. On January 1, 1897, there were 24 inmates, of whom 18 had been admitted during the year.

The work of the institution during 1896 was as follows:

Free meals served	7,759
Meals paid for at half rates	19,254
Meals worked for	2,104
Salaried employees	4,315
Free lodgings	2,491
Lodgings paid for	6,446
Number of persons cared for	379
Number for whom employment was found	98

The officers for the current year are: President, Mrs. W. B. Gurley; vice-presidents, Miss S. A. Lipscomb, Miss Anna Shellabarger, Mrs. Richard Pairo, Miss Charlotte Campbell; treasurer, Mrs. W. W. Herron; corresponding secretary, Mrs. H. L. Howland; board of trustees, Miss S. A. Lipscomb, Miss Anna A. Shellabarger, Mrs. W. W. Herron, Mrs. G. C. Hazleton, Mrs. Hariet L. Howland, Miss Haupt, Mrs. Richard Pairo, Miss Carrie Morgan, Miss Charlotte Campbell, Mrs. Van Rensselaer, Miss Susie Johnston, Mrs. I. F. Macfarland, Mrs. L. Y. Baker, Mrs. Eaton, Miss Agnes Kennedy, Mrs. M. E. M. Dunn, Mrs. C. H. Nichols, Mrs. Roberdeau Buchanan, Mrs. S. D. Yoemans, Dr. Ida Heiberger, Mrs. C. L. Marlatt, Mrs. Charles Christiani, Mrs. James T. Young, Mrs. F. M. Matheson, Mrs. Walter Wheatley, Miss Miller, Mrs. Philip J. Ryan, Mrs. William B. Gurley; advisory board, Dr. Byron Sunderland, Mr. W. H. Hoeke, General Eaton, Mr. J. B. Larner, Dr. Randolph McKim.



THE HOUSE OF THE GOOD SHEPHERD.

III.

The House of the Good Shepherd, located at the corner of Thirty-sixth and T streets, West Washington, was organized August 16, 883, and incorporated March 6, 1884. The home was opened by a lelegation of Sisters of the Good Shepherd from Baltimore, in the lwelling house on Ninth street formerly occupied by Admiral Smith. The house was given to the organization by the late Miss Anna E. Smith, the daughter of the admiral. Miss Smith interested Miss Alice Riggs and others of her friends, and a corporation was formed. The lands now occupied consist of all of block 133 in Burleith Addition to West Washington, and are valued at $25,000, the title being in the Sisters of the Good Shepherd. Buildings to the value of $36,500 and other improvements to the extent of $13,600 are upon the land. Of this amount, Congress appropriated $23,000 for lands, and from private sources came a house and lots, No. 1017 Ninth street northwest, which were sold for the sum of $30,000. The home can accommodate about 100 inmates. Of the inmates of the institution during the year, 4 were placed in other homes, 35 were restored to parents or relatives, and 6 left voluntarily. While the privileges of the institution are not confined to residents of the District, all of the inmates during the past year, with the exception of 8 belonged to the District. White females are admitted without regard to religious affiliation.

During 1896 the house received $2,700 from Congressional appropriations and $282.93 from the Board of Children's Guardians for wards laced in the institution. The income from private gifts amounted to 116.25, besides which there were received $2,770.05 from sewing done y the inmates and a legacy of $1,000 from Miss Anna E. Smith, aking the total income $6,869.23. There is an indebtedness of $25,000 n the home, involving an interest charge of $131.67 annually. The nly salary paid is for one man. The cost of maintenance equals the ceipts, including the Congressional appropriations.

The institution was established for the reformation of fallen and nfortunate females who might apply for admission or who are sent to e house by the courts, and for the preservation of young girls and ildren who, from dangerous surroundings or through want of proper aternal care, are exposed to the danger of being led astray. The ome maintains two departments—the reformatory and the preservaon class. The principal income is derived from all kinds of needleork, from plain shop work to the finest sewing and embroidery. Chilren are instructed in the rudimentary branches.

IV.

The Florence Crittenten Hope and Help Mission, located at 218 hird street northwest, was organized in 1888 and incorporated in 1895 nder the general incorporation act of the District of Columbia. The

mission occupies one large five-story building on lands valued at $18,000, the property having been purchased for that sum. Mr. Crittenten gave $8,000 toward the purchase, and the remainder is still to be paid. During the year 1896, 397 persons were admitted and 231 were discharged, leaving 20 in the institution on January 1, 1897, the highest number accommodated at one time being 40. Twelve children, with their mothers, were placed in homes during the year, and the number of deaths was 4. Any homeless or fallen woman can obtain admission to the home. The institution is connected with no religious denomination, but is one of the Florence Crittenten homes that have been established through the work of Mr. C. N. Crittenten in various cities in the country, including San Francisco, Denver, Atlanta, Nashville, Chattanooga, Asheville; Portland, Oreg.; Norfolk, Ogden, Utah, and Salt Lake City.

During the year 1896 the home received $1,000 from Congressional appropriations, $400 from Mr. Crittenten, $2,996.23 from collections and monthly subscriptions, besides contributions of groceries amounting to about $300, and furniture to the amount of $400. The matron is paid $15 a month, and all other services are given. The cost of maintenance is about $3,500, which includes the expenses of girls in confinement and sending them home, clothing, and general expenses.

The Hope and Help Mission was first organized by Mrs. S. D. LaFetra as a local work, and later it came into the general organization established by Mr. Crittenten. It appears from the testimony of Mrs. Kate Waller Barrett, the general secretary of the Florence Crittenten missions, that Mr. Charles N. Crittenten came to New York a poor boy, and at No. 115 Fulton street, in that city, built up one of the largest drug businesses in the world. After the death of his daughter, Florence, he became interested in the work among the slums of New York, and, buying a piece of property in Bleecker street, at a cost of $40,000, opened it as a home for fallen women. The expense of the institution, as now conducted, is from $10,000 to $12,000 a year, which sum is furnished by Mr. Crittenten. The remainder of his income, which amounts to some $60,000 a year, is given to the general work of the Florence Crittenten missions. The home receives contributions from the Baptist, Congregational, Presbyterian, Episcopalian, Methodist, and Christian churches, and from individuals, the deficits being made up by Mr. Crittenten. The management of the institution is in the hands of a board of directors, composed as follows: Sarah D. LaFetra, president; Belle S. Luckett, corresponding secretary; Mary E. Catlin, recording secretary; Alfred Wood, financial secretary; Thomas Jarvis, treasurer; James T. Petty, auditor; Dr. George W. N. Custis, Dr. George N. Perry, William H. McKnew, Letitia K. Knowles, and Mary Rector. The matron is Mrs. Elizabeth K. Fleck.

FLORENCE CRITTENTON HOPE AND HELP MISSION.

THE HOUSE OF MERCY.

V.

About ten years ago a number of colored women, organized as the Women's Union Christian Association, opened the Home for Friendless Colored Girls in order that such girls, rescued from destitution and vice, from earliest age to their fourteenth year, might be cared for and trained in matters of housekeeping, and made self-supporting and self-respecting. During the ten years 300 children—many literally outcast—have had the benefit of this charity, which included a certain amount of education, instruction in all branches of housekeeping, moral and religious (nonsectarian) training, and finding them permanent homes in families as their services became useful.

A lot adjoining Howard University has been given by Miss Maria Stoddard (white) for the purpose of erecting thereon a building suitable for the Home, but the subscriptions of money toward this object as yet amount to but $150. Since its establishment the Home has been occupying rented quarters on Erie street, Meridian Hill, a house out of repair and ill suited to the purpose. The District Commissioners have allowed the Home $500 from the fund for the relief of the poor.

On September 5, 1897, Mrs. Caroline Taylor, the devoted president of the association, fell from the embankment near the home (the street having been cut down), and was killed. Her successor in office is Mrs. John A. Pierre.

VI.

The Association for Works of Mercy, located at 2408 K street NW., was organized and incorporated under the general incorporation law February 1, 1884. The institution is under the care of the Sisters of the Epiphany of the Protestant Episcopal Church, occupies lands valued at $25,000 and buildings valued at $10,000. Congress appropriated $8,200 towards the lands and makes an annual appropriation of $1,800 for maintenance. The institution accommodates about 24 white girls under 30 years of age, no girl being received for less than a year. White girls of any faith are received. Roman Catholics are transferred to the House of the Good Shepherd. The income from private gifts in 1896 was $823.28, and the entire expenses were $2,778.59. The Board of Children's Guardians makes use of the Home to some extent. The Home is in charge of Sisters Mary and Dorothea.[1] The president is Mr. Harry C. Whiting; the president of the ladies' board is Mrs. E. C. W. Chubb.

The Bruen Home, located at 436 M street NW., was established and is maintained largely by Mr. W. L. Bruen as a home for destitute women and girls. It has a kindergarten and a day nursery for the children of working women. The number of inmates is about 20.

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[1] Hearings, pp. 299–301.

CHAPTER XI.

HOMES FOR THE AGED.

IN the Corcoran Art Gallery and the Louise Home, the late Mr. William Wilson Corcoran left to the city of Washington two conspicuous monuments of his public spirit and benevolence. How numerous and diverse were his private benefactions may be learned in part from the historical sketches of the various institutions in this book. It is quite within bounds to say that among all the philanthropic citizens of the District of Columbia Mr. Corcoran stands foremost, not alone in the amount of his gifts, but also in the direct personal interest he took in the application of benevolence.[1]

[1] William Wilson Corcoran was the son of Thomas Corcoran, who was born in Limerick, Ireland, in 1754, and who came to Baltimore in 1783, to enter into the service of his uncle, William Wilson, a shipping merchant. In 1788, Thomas Corcoran married Hanna Lemmon, of Baltimore, and the same year he settled in Georgetown, then a thriving port with ten square-rigged vessels lying at her docks, at the time of Mr. Corcoran's first visit. Entering the shoe and leather business, he also acted for his uncle in purchasing tobacco and flaxseed for export, Georgetown, Bladensburg, and Baltimore being at that time the three rival tobacco markets of Maryland. In 1791, on behalf of the corporation at Georgetown, he presented an address to President Washington, who had come to Bladensburg to negotiate with Robert Peter, Samuel Davidson, David Burns, Notley Young, and Daniel Carroll for the lands comprised in the District of Columbia. In 1801, President Jefferson appointed him a magistrate and a member of the levy court, positions he held under successive Presidents until his death in 1830. In 1815 he was appointed by President Madison postmaster of Georgetown, and held office till his death, being succeeded by his son James, who also held the position during his life.

William Wilson Corcoran, the fifth son of Thomas Corcoran by his second marriage, was born December 27, 1798, and received instruction from Rev. William Allen, a Presbyterian clergyman; at the Georgetown College, of which institution the Rev. Father Gracie was then the president; and from Rev. Addison Belt, a graduate of Princeton. In 1815 he entered the dry goods store of his brothers, James and Thomas, and two years later they started him in business for himself. During the panic of 1823 he went down with about one-third of the merchants of Georgetown; but in 1847 he paid his creditors in full with interest, although he had secured a release after the failure.

Instead of reembarking in business Mr. Corcoran devoted himself to the interests of his father, the management of whose property he superintended. In 1828 he took charge of the real estate and suspended debt of the Bank of the United States and the Bank of Columbia. In 1830 his father closed his long career of usefulness. He had been a member of the Georgetown council and mayor of the town; he was

The Louise Home is beautifully situated on a high terrace fronting on he south side of Massachusetts avenue, between Fifteenth and Sixeenth streets NW. The grounds embrace about 53,000 square feet, nd are laid out in walks shaded by trees and shrubbery of native and oreign growth. The building itself, French in its style of architecture, s one of the most beautiful ornaments to a section of the city where either wealth nor taste have been spared in adornment.

Being desirous of founding a memorial and fitting tribute to the emory of his wife and daughter, the latter of whom, an only child, ad then but recently died, Mr. Corcoran conceived the plan of establishing a home for women of education and refinement whom age and isfortune had rendered dependent, and to whose needs those bound y family ties were unable to minister. In his letter of December 4, 870, Mr. Corcoran, addressing Messrs. James M. Carlisle, George W. iggs, James C. Hall, and Anthony Hyde, delivers to them, his selected rustees, a conveyance for the establishment of the institution. This

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lso one of the founders of St. John's and Christ churches, and of Columbian Uniersity. Mr. W. W. Corcoran was active in the District militia—having been proioted through the various grades to a colonelcy—and in 1849 he declined the ommand of the militia of the District. On December 23, 1835, Mr. Corcoran maried Louise Amory Morris, daughter of Commodore Charles Morris, the issue being wo daughters and one son. The first daughter and the son died in infancy. The econd daughter, Louise Morris, was born March 20, 1838, and died December 4, 867. She married the Hon. George Eustis, jr., son of Hon. George Eustis, chief istice of the supreme court of Louisiana. In 1837 Mr. Corcoran established a rokerage business on Pennsylvania avenue, near Fifteenth street, and during the e same year removed his family to Washington. In 1839 he removed his business the old Bank of the Metropolis Building, on the corner of Fifteenth and F streets, d the next year associated with him Mr. George W. Riggs.

n 1845 the firm of Corcoran & Riggs purchased the old United States Bank at corner of Fifteenth street and New York avenue, together with all its property effects uncollected. About 1847 the firm took, on its own account, nearly all the s made by the United States. In 1848 Mr. George W. Riggs retired from the firm was succeeded by his younger brother Elisha. During this year the firm had nd about twelve millions of the 6 per cent United States loan of 1848, and the d for it falling off in this country Mr. Corcoran sailed for Europe to place the . After much discouragement he succeeded in placing five millions with Barrothers & Co., George Peabody, Overend, Gurney & Co., Denison & Co., d Jones Lloyd, and James Morrison, this being the first sale of American ies made in Europe since 1837. The success of this operation in London lly advanced the bonds to 119¼, thus securing a very handsome profit for the On April 1, 1854, Mr. Corcoran withdrew from the firm, and the business was d by Mr. George W. Riggs, under the firm name of Riggs & Co., which name nged in 1896 for the Riggs National Bank.

Mr. Corcoran began the erection of a building at the northeast corner of ania avenue and Seventeenth street, designed for a public art gallery. The out of the civil war brought into requisition all such buildings in the city, the occupation of this building for military purposes, to which use it was ntil about the beginning of 1869, when it was restored to the possession of . On May 10, 1869, Mr. Corcoran called to his house Messrs. J. M. Carlisle, Riggs, Dr. James C. Hall, Anthony Hyde, James G. Berret, James C. Henry D. Cooke, James C. McGuire, of the District of Columbia, and W. T.

trust was formally accepted by the trustees in their letter of December 7, 1870.

The intentions of Mr. Corcoran are clearly set forth in this conveyance. He declares it his desire and intention to establish and maintain in the city of Washington, D. C., to the extent thereafter provided, and to such extent of endowment as he may from time to time, by gift, devise, bequest, or otherwise determine, an institution for the support and maintenance of a limited number of gentlewomen who have been reduced by misfortune, the propriety of their admission to be first determined by the trustees and a board of directresses provided for in a later clause of the deed, which board, having charge of and supervision over the internal management and government of the establishment, consisted of the following ladies designated in the conveyance by the founder, viz: Mrs. Benjamin Ogle Tayloe, Mrs. George W. Riggs, Miss Sarah Coleman, Mrs. Richard H. Coolidge, Mrs. James M. Carlisle, Mrs. John Marbury, sr., Mrs. Beverly Kennon, Mrs. Richard T. Merrick, and Mrs. S. P. Hill, all of Washington City.

Walters, of Baltimore, in whom he vested the title to the property, together with the right to receive the rents wholly unpaid for the eight years during which the building was occupied by the Government, all for the purpose of establishing the Corcoran Art Gallery. To this gift he added his own gallery of art on which he had spent many years of time and a large amount of money. The gallery was chartered by the act of Congress approved May 24, 1870. The act of incorporation required that the Secretary of War, Secretary of the Treasury, and the Secretary of State should ascertain and settle on principles of justice and fairness a just compensation for the use of the ground and buildings while the same were occupied by the United States, and made an appropriation to carry out their findings.

During the period immediately preceding the war Mr. Corcoran enjoyed the friendship of Edward Everett, Daniel Webster, Gen. Winfield Scott, and George Peabody, of London. To Dorothea Lynde Dix, whose work among the insane has been mentioned elsewhere, Mr. Corcoran gave carte blanche to ask for relief for those she might find needing small pecuniary aid, a resource of which she availed herself from time to time. In 1863 Mr. Corcoran visited Europe where he was entertained by his friend, George Peabody, and it was during his stay in Paris that he gave to the Washington Orphan Asylum the lots on which their present building is erected. He also made many other gifts to charitable institutions in the South. To William and Mary College he gave, in 1867, $1,000, for rebuilding, and in 1878 he added $50,000 in bonds of the State of Virginia to endow a chair of natural history in that institution. In February, 1868, Mr. Corcoran returned from his second trip to Europe, bringing with him the remains of his daughter, Mrs. Eustis, who had died at her home in Cannes, and on December 4, 1870, he placed in the hands of the trustees the building and lands which he had devoted to an Asylum for Aged Women, in commemoration of his daughter and his wife.

In 1872 Mr. Corcoran returned from his third visit to Europe and was met in New York by a delegation of the citizens of Washington sent to welcome him home. During this year Mr. Corcoran gave to the trustees of Columbian College, of which body he was president, the valuable tract of land called "Trinidad," north of the city of Washington. From this time on until his death Mr. Corcoran's beneficences were widely scattered both at the North and at the South. Gifts were made not only to institutions, but also to individuals whom the exigencies of war had reduced to poverty. Mr. Corcoran died in Washington February 24, 1888.

THE LOUISE HOME.

In the same conveyance, the donor provides that the institution shall always be known by the name of "The Louise Home," the name given being that of his deceased wife and daughter.

A conservative estimate of the value of this gift at the time of the organization of the institution would be as follows:

The building, already erected at the time of the gift, and the grounds embraced in the deed of gift	$200,000
An endowment fund well invested	325,000
Making total value of gift	525,000

The original endowment fund has, from time to time, been increased through gifts from the founder during his lifetime and bequests contained in his will, thus enlarging the capacity of the home for the support and maintenance of a larger number of inmates.

According to suggestions embraced in the original deed of gift from Mr. Corcoran, the trustees applied to Congress and, under an act of Congress approved March 3, 1875, were duly incorporated under the name and style of "The Trustees of the Louise Home," reference being made as to their powers, in the act, to the deed of gift from Mr. Corcoran, and by the same act all the property, real and personal, held by the trustees for the purposes of the trust was declared to be exempt from taxation.

The total number of inmates at the Louise Home at this date is 40, which is the number to which the admission is at this time limited, and all vacancies are filled from a list of applicants, according to the respective needs and merits of those appearing on the list.

Among the principal requirements for admission to the home, the first and foremost is that the applicant must be a woman of culture and refinement, as well as dependent, and having no relative able and willing to furnish the means for her support, it being, however, necessary that she be financially able to provide for herself necessary clothing. It is also necessary that she be in such a physical condition as not to need the care and attention of an attendant. Her conduct after admission is to be always that of a gentlewoman.

The board of directresses having charge of the internal and domestic government of the institution have supervision over all applications for admission, with such letters of indorsement as may accompany the same, and recommend to the trustees the applicant as a proper person for admission, and upon the confirmation of this action on the part of the trustees such admission is ordered; or they may, on the other hand, refuse to make such recommendation, as in their judgment may seem best; and at all times, with the concurrence of the trustees, the directresses have the power to remove any inmate from the home for good and sufficient cause.

No charity could be more complete in its scope than that founded by Mr. Corcoran in the institution of the Louise Home. Every comfort within reason, and in keeping with the social position of the inmates,

is, through the thoughtfulness of the donor, provided, even to the professional care of skilled physicians and the proper medicines during illness; and should death claim them as his subjects, unless otherwise desired by them, they are laid to rest in that other most beautiful gift of Mr. Corcoran to his native town, Oak Hill Cemetery.[1]

The board of directresses of the Louise Home at the present time is made up as follows: Mrs. Beverly Kennon, president; Miss Jeannie Turnbull, secretary; Mrs. Christopher Thom, Mrs. Margaret Stone, Mrs. Judge Hagner, Mrs. General John Parke, Mrs. Josephine Sowers, Mrs. Calderon Carlisle, and Mrs. Allen McLean.[2]

The following gentlemen have been successors of the original trustees named in the deed of gift: Charles M. Matthews, William L. Dunlop, Dr. Grafton Tyler, Hon. Walter S. Cox, M. W. Galt, James M. Johnston, and Thomas Hyde, the four last named constituting the present board of trustees.

The following ladies have been directresses: Mrs. Ben. Ogle Tayloe, Mrs. George Riggs, Mrs. Richard H. Coolidge, Mrs. James M. Carlisle, Mrs. John Marbury, sr., Mrs. Richard T. Merrick, Mrs. Stephen P. Hill, Miss Margaret Washington, Miss Mary Blake Jones, and Miss Sarah Coleman.

III.

The Methodist Home of the District of Columbia, located at the corner of Twelfth and N streets NE., was incorporated under the general incorporation act January 21, 1889, to provide a comfortable home for the aged and infirm members of the Methodist Episcopal Church of the Baltimore conference within the District of Columbia, and to render such persons such assistance and relief as may be practicable. The trustees named in the articles of incorporation were William Taylor Birch, Richard H. Willet, Robert Cohen, Henry L. Strang, Andrew B. Duvall, David T. Cissel, George W. F. Swartzell, Benjamin F. Leighton, and William McKendree Clayton.

Admissions to the home are restricted to members of the Methodist Episcopal Church of the District of Columbia. Applicants must not be under 60 years of age, and must be recommended by the pastor and stewards of the church to which they belong, or furnish other satisfactory evidence of good standing as members of the Methodist Episcopal Church in the District of Columbia for five years prior to the time of

[1] In 1847 Mr. Corcoran purchased "Parrott's woods," the site of a ropewalk, and afterwards the place of Fourth of July celebrations. After spending $70,000 on the grounds, he gave the cemetery to his native town. In 1848 a corporation was formed for cemetery purposes. The total gifts of Mr. Corcoran on this account amounted to over $120,000.

[2] The editor is indebted to Mr. H. S. Matthews for the sketch of the Louise Home; the biography of Mr. Corcoran was compiled from "A Grandfather's Legacy," a volume prepared by Mr. Corcoran and printed in 1879. The work contains brief sketches of himself and members of his family, and many letters of great interest and historical value.

HOME FOR THE AGED OF THE LITTLE SISTERS OF THE POOR.

making application. The relief afforded is limited to those who have no means of support nor proper relations to provide for them. A payment of $100 with the necessary wardrobe is required, but it is provided that the board of managers may extend the benefits of the home in peculiar cases of distress to those not strictly eligible under the rules.

On January 1, 1897, there were 15 inmates of the home, of whom 2 were men. None of these inmates were admitted prior to 1890. The deaths during the year were 10. The home is supported by contributions from the 19 Methodist Episcopal churches in the District of Columbia, which contributed during 1896 $2,758.77, the total receipts for the year being $3,853.17. The expenses nearly balanced the receipts. Besides contributions of money very considerable amounts of clothing and supplies were received.

The president of the home is Mrs. D. B. Street; vice-presidents, Mesdames A. E. Evans, William Burris, C. W. Baldwin, E. J. Harper, L. B. Wilson, S. M. Hartsock, J. E. Talty; treasurer, Mrs. T. C. Smith; secretary, Mrs. J. C. Tasker; corresponding secretary, Mrs. W. G. McDowell; physicians, Drs. D. B. Street, D. Olin Leech, R. Kingsman, E. S. Lothrop.

IV.

The Home for the Aged, conducted by the Little Sisters of the Poor, is situated on H street between Second and Third streets NE., was organized February 2, 1871, was incorporated July 16, 1873, and reincorporated May 16, 1884, under the act of April 23, 1884. The institution occupies about four-fifths of square 751, the lands being valued at $110,000. The main building is valued at $130,000, the old mens' quarters at $10,000, stable, etc., $10,000, making a total of $150,000 for improvements.

From 1873 to 1884 the sum of $55,000 was appropriated by Congress for improvements at the Home, but no appropriations have been received for the past thirteen years, excepting that in 1893 Congress appropriated the lands embraced in the alleys in square number 751 to the Home for charitable purposes. The number of inmates is in the neighborhood of 200. During the year 1896 there were 35 deaths and 45 admissions, 6 persons having been discharged during the year. The privileges of the Home are confined to the residents of the District of Columbia excepting that a few inmates came from the adjoining counties in Virginia and Maryland. No one is admitted under the age of 60 years.

The income of the institution comes from private gift, which amounts to about $4,000 in money, besides contributions of supplies and clothing, which are made by the hotels, markets, dairies, and other patrons of the home. The total cost of maintenance is about $7,000, including repairs, fuel, medical bills, and undertakers' bills. The contribution of money and other supplies about equals the cost or expense of maintain-

ing the home. Sister Dosithée, who is the superior in charge of the home, states that the institution aims to provide for about 200 aged inmates of both sexes, without distinction of color or creed. The sisters solicit and collect from private parties ample food required daily, and in case of deficiency, which often occurs, purchases are made. Clothing is obtained in the same way, is repaired in the home and is kept in readiness for use. No wages are paid and no labor is hired.

Of the money received from public sources, $42,500 came by Congressional appropriation and $12,500 from the District.

V.

Besides the homes mentioned above there is the Aged Women's Home, located at No. 1225 Thirty-second street. Thirteen women are accommodated with rooms, and occasionally with fuel. If one is ill she receives medical treatment. The institution receives an allotment of $300 a year from the Commissioners of the District of Columbia, and the entire expense per inmate per day does not exceed 10 cents. The president is Mrs. B. Kennon.

The National Lutheran Home, located on Winthrop Heights; the Lenthal Home for Widows, at the corner of Nineteenth and G streets NW.; the Colored Widows' Home, of St. Matthew's parish, at 1909 R street NW., managed by the Associated Charities, and the Epiphany Church Home for Aged Women, at 1319 H street NW., are among the institutions for the relief of the aged in the District of Columbia.

CHAPTER XII.

TEMPORARY REFUGES FOR MEN.

THE Temporary Home for ex-Union Soldiers and Sailors was organized September 1, 1888, by some members of the Grand Army of the Republic, and was incorporated October 26 of that year. Beginning with the fiscal year July 1, 1889, the home has been in receipt of $2,500 annually from Congress. The home was organized as a temporary shelter for soldiers who come to the city from time to time to prosecute their pension claims, or who are left here without resources. The number of inmates ranges from 20 to 30 per day. Each man, on making application for reception, is required to prove his service in the Army or Navy. During April, 1897, the records of the home show that 5 of the inmates came to draw pensions, and stayed probably one night; 9 were in the city to obtain an increase of pension, which usually means a stay at the home of at least ten days, that being the general limit that men are allowed to stay. One came to take a civil-service examination, 9 came to reopen pension claims, and 11 to ascertain the status of their claims. Nine were on their way to the Hampton Home, and 2 were in the city to obtain admission to that home. Three were here to procure the passage of bills for an honorable discharge, 2 to obtain transportation, 2 were on their way to the Dayton Home, and one came to get a patent on a musical instrument. From July, 1889, to May 1, 1897, 8,243 old soldiers and sailors were cared for, and received a total of 147,479 meals and 72,533 lodgings, showing a daily average of 55 meals and 30 lodgings since the opening of the home. The home owns no buildings or lands, but occupies rented quarters at No. 305 Missouri avenue NW. The present superintendent is D. B. Hill, who has been connected with the home since its inception.

The Home is managed by a board of incorporators selected from the various Grand Army posts, as follows: David P. Craig, Lincoln Post, No. 3; James R. Brown, Kit Carson Post, No. 2, secretary; James E. McCabe, Lincoln Post, No. 3; Calvin Farnsworth, George G. Meade Post, No. 5, president; Rev. J. H. Bradford, James A. Garfield Post, No. 7, treasurer; Newton Ferree, John A. Rawlins Post, No. 1, vice-president; Rev. W. H. Gotwald, D. D., John F. Reynolds Post, No. 6, chaplain; Amos J. Gunning, B. F. Chase, A. F. Dinsmore, J. O'Meara, I. W. Stone, J. W. Kirkley, Theodore Hausmann, H. W. Burns.

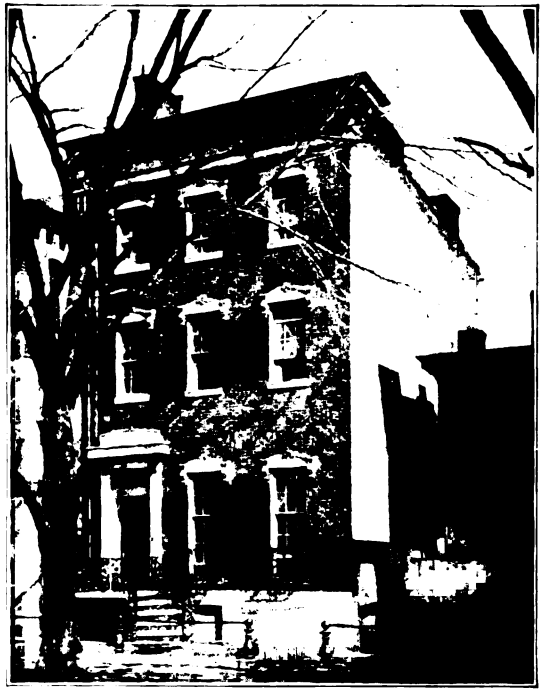
II.

The Washington Night Lodging House opened its building on the 4th of March, 1876. This charity was exclusively for the benefit of the male and female nonresidents visiting the city in search of work, or who, having claims against the Government, became financially stranded while awaiting their settlement. Many of the applicants were ex-soldiers and sailors, who were thus substantially assisted while prosecuting their claims. Professional tramps were rigidly excluded. Every person was provided with a clean, comfortable bed and nightgown, and was compelled to take a warm bath before retiring. They were furnished with two substantial meals each day, and were allowed the privileges for three days and nights only unless there was good reason for their remaining longer. The inmates were admitted after examination by the officers in charge of the police stations, and were certified to by them or by the superintendent. No charge was made for the privileges.

The premises were located at 312 Twelfth street, next to the fifth precinct station house. The brick house occupied had a capacity of 50 beds, together with the rooms necessary for cooking, bathing, etc. The premises were bought for $4,500, of which $1,500 was paid by private subscriptions, leaving a debt of $3,000. The board of managers was composed of the following: Matthew G. Emery, Thomas J. Fisher, A. S. Solomons, John T. Mitchell, Edward F. Simpson, George E. Lemon, F. C. McGuire, William Ballantyne, James E. Fitch, A. C. Richards, Charles J. Bell, and H. O. Noyes. The president was Mr. A. S. Solomons, and the secretary Mr. H. O. Noyes. In a number of instances the directors sent out food for days and weeks at a time to the deserving poor in the District about the lodging house. Money in aid of the institution was received from the charity fund and expended in the purchase of food, all the furniture and present effects having been paid for from contributions by citizens and sojourners in the District. (Report of Commissioners Dist. Columbia for 1885–86, p. 147.)

On July 14, 1892, the lodging house passed from private to municipal control, and has since received an appropriation for maintenance of $4,000 a year. The property, however, is still owned by the Night Lodging House Association. Persons out of employment can obtain shelter in the lodging house not to exceed three days at one time. They are required to perform certain manual labor, such as sawing and splitting wood, and the other work of the house. For a night's lodging, which includes a supper, breakfast, and bath, they saw one-eighth of a cord of wood. Cripples and sick inmates are maintained free without work. The house has accommodations for 72 people, but as many as 91 have been sheltered in stormy weather. In winter the average number of inmates is from 40 to 60, but in summer the average is about 14 a day.

About one-third of the inmates are what may be called "good" men. They are traveling from place to place seeking work. The other two-



TEMPORARY HOME FOR UNION EX-SOLDIERS AND SAILORS.

MUNICIPAL LODGING HOUSE.

thirds are men who will not work, except when they are compelled to do so by starvation. In deserving cases the District, through the sanitary officer, furnishes money to take inmates to their homes, and in no case are residents of the District maintained at the Municipal Lodging House. The house is well known throughout the country, and is one of the stations on the round of the great cities. The first superintendent of the Municipal Lodging House was William H. Dunn. The present superintendent is Capt. L. B. Cutler.[1]

III.

The Central Union Mission, located at 622 Louisiana avenue, with ten branches in different parts of the city, was organized August 19, 1884, and incorporated January 7, 1887, under the general incorporation act. The value of the lands occupied on Louisiana avenue is $60,000, and one branch and its lands valued at $1,000, the title of these lands being in the Central Union Mission. On the Louisiana avenue property are improvements valued at $30,000, and on one branch improvements valued at $1,500. Other property to the amount of $5,000 is owned by the mission.

The mission is organized as a Christian institution, its object being to preach the gospel to the neglected classes. Its managers do not regard it primarily as a charitable society, although its work is chiefly among the poor of the city, and, as an adjunct to its main work, it has done much to relieve suffering and furnish employment for the poor. The mission maintains an industrial department, including a wood yard for men and a laundry for the employment of women. At times it has had other industries, such as a broom factory, a mending department, and a cobbler shop. Attached to the industrial department is a dining room and lodging establishment. Meals are served at 10 or 15 cents each, and in the lodging department a bed is furnished at 10 or 15 cents a night, or in rooms at 25 cents a night. In the wood yard from 50 to 75 men can be worked, and the plant is capable of enlargement to double its present capacity. A laborer is required to saw one-twelfth of a cord of wood for a 10-cent meal or a 10-cent lodging, and the average laborer can obtain his meals and lodging by about three hours' work. The only drawback the wood yard experiences is the difficulty of disposing of all the wood sawed. The industrial department of the mission is fully self-supporting and has been maintained without financial assistance. Each branch of the work shows a small surplus to its credit, which is used in improving the plant. The religious work of the mission is supported by voluntary contributions, and such contributions are not used for the industrial department.

[1] Timothy Lubey, Commissioner of the Washington Asylum, in his report for 1875, says that it has been the custom of that institution to furnish food and shelter to that class of the poor termed "tramps" or transient paupers. Persons of this class to the number of 766 were accommodated during the year.

CHAPTER XIII.

REFORMATORY INSTITUTIONS.

ON July 1, 1862, President Lincoln approved an act to incorporate the Guardian Society to reform juvenile offenders in the District of Columbia, by virtue of which act Amos Kendall, John M. Broadhead, Zenas C. Robbins, Sayles J. Bowen, Nehemiah B. Northrup, Benjamin B. French, Joseph Bryan, Peter N. Higinbotham, James C. Jenner, David W. Heath, James R. Barr, Matthew Waite, Samuel A. H. McKim, John R. Nourse, and Stephen Prentiss, being already members of the Guardian Society, were incorporated and made a body politic "for the purpose of encouraging and aiding such children of the poor, ignorant, and vicious as could be induced to make such efforts as they ought for an improvement in their condition."

The act contemplated a house of industry to which minors might be sentenced by the courts, and the trustees were empowered to receive children at the request of the parents, guardian, or next friend upon a written surrender of such child. The trustees were not to be required to receive any offenders known to be extremely vicious or to keep any who might prove incorrigible, but such were to be sent to the jail or penitentiary under an alternative sentence that the court was empowered to impose. It was also contemplated that persons committed as witnesses or committed for trial, if under the age of 18, should be placed in the house of industry instead of the jail or penitentiary. The trustees were empowered to bind out by indenture any who might appear to be sufficiently reformed, or the inmates might be hired during the daytime to employers whose work was not too far distant from the house of industry.

The Guardian Society raised some $5,000 or $6,000 through the liberality of a few citizens and banking institutions of Washington, and in 1865 obtained a large building that had been constructed for hospital purposes during the war.[1] This building they removed to the Government farm, situated about one-half mile from the Potomac River and 4 miles northwest from Georgetown. The funds of the Guardian Society having been exhausted, Congress established, by

[1] The "Laws, By-laws, and Rules and Regulations of the Reform School of the District of Columbia, 1894," contains the brief history of the institution that is the basis of this sketch.

REFORM SCHOOL FOR BOYS—MAIN BUILDING.

the act of July 25, 1866, a House of Correction for Boys in the District of Columbia "for the safe-keeping, correction, governing, and employing of offenders legally committed thereto by the authorities of the courts and the magistrates of the District of Columbia." It was also provided that the building before erected on the Government farm for the purpose of establishing a similar institution, together with all the other property there collected for the same purpose, should be transferred to the trustees appointed according to the provisions of the act, at a cost not exceeding $1,500.

The government of the institution was vested in a board of seven trustees to be appointed and commissioned by the President of the United States, one to be nominated by the mayor of Washington, one by the mayor of Georgetown, one by the president of the levy court of the county of Washington, and four by the Secretary of the Interior, the term of office of a trustee being three years.

For the purpose of securing the transfer of the building and other property to the trustees, preparing the premises and building for occupancy, and payment of other necessary expenses, $12,000 was appropriated, to be paid on the order of the Secretary of the Interior; and it was provided that $6,000 of the said appropriation should be assessed and paid by the cities of Washington and Georgetown and the county of Washington, of which amount $4,500 was to be raised by the city of Washington, $1,000 by the city of Georgetown, and $500 by the county of Washington. Of the $12,000 appropriated, $9,500 was spent in 1867, and $2,500, together with the $12,000 appropriated by the act of April 20, 1870, was spent in the latter year. In 1871 Congress failed to make an appropriation for the support of the school, and the board of trustees was left without means to defray the necessary expenses of the institution.

The first boys, 2 in number, were admitted January 13, 1870, and there were 63 boys in the school when Congress failed to provide for its support. At this juncture a number of liberal merchants and others furnished supplies, with the hope of reimbursement when Congress convened; and money for the payment of salaries and incidental expenses was raised on the individual notes of the trustees. The act of May 6, 1870, amending the act of July 25, 1861, changes the name of the school to the Reform School of the District of Columbia, and provides that the mayors of the cities of Washington and Georgetown and the president of the levy court of the District of Columbia shall have full power to commit to the care, control, and custody of the board of trustees of the school, with the consent and at the proper expense of his parent or guardian, any boy under 16 years of age who is destitute of a suitable home and an adequate means of obtaining an honest living, or is in danger of being brought up, or is being brought up, to lead an idle or vicious life. The members of the board of trustees individually were authorized to commit boys for the same reasons as above stated.

In the first act the cities of Washington and Georgetown and the county of Washington were required to pay 50 cents a week for each boy committed to the school from those respective localities; in the second act this sum was increased to $1.50 a week.

During the summer and fall of 1871 the location of the school upon the Government farm near the Potomac River proved decidedly unhealthy, and it was determined to ask Congress for an appropriation of $100,000 to purchase a new site and erect a suitable building thereon. The board of trustees at this time was made up of H. D. Cooke, N. W. Burchell, J. E. Carpenter, H. A. Brewster, Nathan Sargent, D. V. Burr, and W. B. Todd.

By the act of May 15, 1872 (in addition to the $10,000 appropriated to pay the annual salaries of the superintendent, two assistant superintendents, the matron, assistant teachers, and other incidental expenses, including clothing, fuel, and servant hire), the Secretary of the Interior was authorized to purchase a new site for the school, to be selected by himself and the board of trustees, on which buildings for the accommodation of 300 boys were authorized to be erected, under the supervision of the Secretary of the Interior, the board of trustees, and the Architect of the Capitol. The appropriation was $100,000. The present site of the institution (old Fort Lincoln, now known as "Mount Lincoln," an elevation overlooking the surrounding country for many miles) was purchased. It is situated on the old Bladensburg turnpike road, 3 miles east of the Capitol. The main building, constructed according to plans made by Edward Clark, Architect of the Capitol, is a conspicuous mark for many miles. The original site, purchased July 20, 1872, consisted of 150 acres of land, 200 acres having been subsequently added to the farm.[1]

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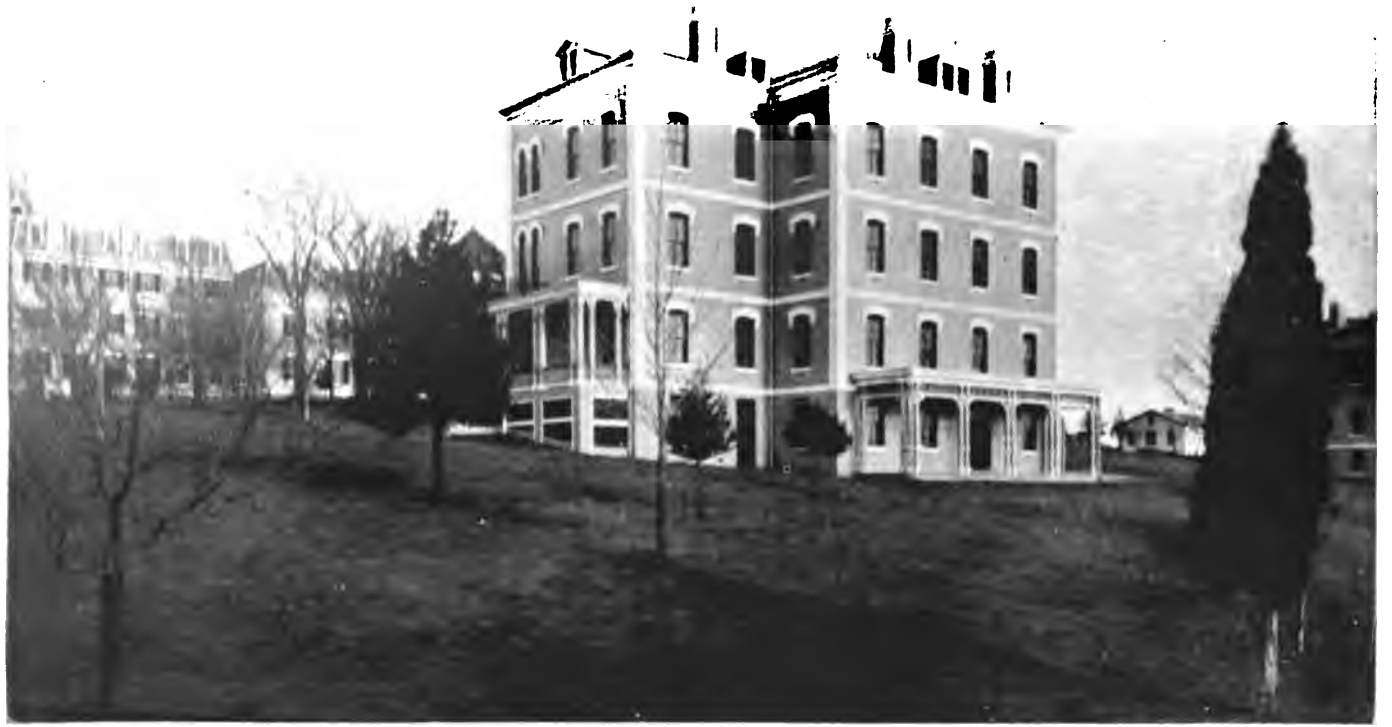
[1] On January 22, 1875, the House of Representatives, by resolution, called on the Attorney-General of the United States for information as to what action, if any, had been taken to recover from the late treasurer of the Reform School of the District of Columbia the sum of $31,772.29, the amount involved in the bankruptcy of Jay Cooke & Co., and belonging to the United States, as directed by the last section of the general appropriation bill passed at the first session of the Forty-third Congress, and approved June 22, 1874.

The Attorney-General, George H. Williams, in reply, called the attention of Henry D. Cooke, esq., of Washington, D. C., to the provision in the act of June 22, 1874, to reimburse the fund of the Reform School in the District of Columbia for work done and materials furnished in the erection and furnishing of buildings and grounds, to the sum of $31,772.29; and the direction that the Attorney-General take such measures as shall be most effectual to enforce any right or claim which the United States has to this amount of money, or any part thereof, involved in the bankruptcy of Henry D. Cooke or of Jay Cooke & Co., the same having been in the hands of Henry D. Cooke as treasurer of the Reform School at the time of his bankruptcy, and being money belonging to the United States.

On October 19, 1874, the Attorney-General called on the Secretary of the Interior for any information as to the matters mentioned above, and also called on Nathan Sargent, president of the board of trustees of the Reform School, and Hon. R. W. Tayler, First Comptroller of the Treasury, for any information that might be in

REFORM SCHOOL FOR BOYS—"A" FAMILY BUILDING.



REFORM SCHOOL FOR BOYS "B" FAMILY BUILDING.

The main building consists of a front extension, which is four stories high, with a spacious hall through. On the first floor are located the offices, reception room, and officers' dining rooms. On the second floor are the parlors, superintendent's living apartments, and dormitories. The third floor is occupied by the officers. On the fourth floor are the storerooms for clothing, etc., and the bedchambers for the house employees.

Two commodious wings extend from either side of the main building, the wings each being three stories high. One of the rooms on the first floor is designed for a dining room, which will accommodate 200 boys. One of these rooms is now occupied as a schoolroom and chapel, temporarily. The second floor of this wing is used for sick rooms, and the same floor of the other wing is used as officers' rooms, tailor shop, etc.

The building has all modern conveniences, is heated by steam throughout, and is well lighted by gas, and splendidly ventilated. There is a basement under the entire building, in which are located the kitchen, furnace room, fuel room, and storerooms, and several capacious cellars, all substantially concreted. There is a tower carried above the front extension of the building where an excellent view of surrounding country can be had.

Three family buildings, having front projections, two of them three stories and one two stories high above the basements, are located north and south of the main building. The basements have concrete floors, contain large washrooms, which are also used for playrooms in wet and stormy weather. On the first floor there are two rooms for the teacher in charge and his family, and a large schoolroom. The schoolroom is also used as a boys' sitting room and for evening and devotional exercises. The second story contains rooms in the front extension for the assist-

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their possession. The First Comptroller replied, under date of October 21, 1874, that he had expressed the opinion to the First Auditor that Mr. Cooke was not an officer of the United States, but only treasurer of the institution. Mr. Sargent replied, under date of October 26, 1874, that upon examining the minutes of the board of trustees it appeared that of the money appropriated for purchasing a site for the school and the erection of buildings thereon, $30,000 was paid for the site, and $70,000 was placed in the hands of Mr. Henry D. Cooke, treasurer of the board, by the Secretary of the Interior upon the recommendation of the board, of which amount all but about $18,000 was paid upon requisitions of the board, which latter sum was on deposit with Jay Cooke & Co. At the time this money was placed in the hands of the treasurer of the board Mr. Cooke was considered as responsible as any bank or banker in the city, or as any one of the most wealthy citizens of Washington. He had been treasurer from the commencement of the institution, and his accounts had always been promptly rendered and settled. Mr. Sargent ventured the opinion that it was unfortunate that a delay of two months occurred in the selection of a site for the school after the appropriation was made, for had the selection been made without delay, the appropriation would probably have been wholly expended some months before the failure of Mr. Cooke took place; but the serious consequences of this delay could not then be foreseen.

Hon. Columbus Delano, Secretary of the Interior, under date of October 28, 1874, stated that it had been the custom of the Interior Department to make advances

ant teacher, and the main floor is a boys' dormitory, and a back projection furnishes the boys an entrance to the same and also a room for a night closet. The third floors are used for dormitory purposes, and the front rooms are used for storage, and one room is set apart for the boys' Sunday clothing.

These buildings are plain but neatly furnished, and make a very comfortable home for a family of fifty boys and officers in charge of same. These, as well as the main building, are well heated by steam, supplied by large boilers located near the greenhouses, which are also heated from the same source.

The bakery consists of the old farm building somewhat remodeled, with ovens added thereto. An excellent laundry, with all the modern improvements has been erected, and near it stands a good, substantial brick workshop, carpenter shop, and smokehouse. A piggery has recently been built after the latest improved plan, and one of the most commodious and best arranged barns, with extensive stables and agricultural storerooms combined, has just been completed. The apple,

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to persons who were disbursing agents of moneys under its control upon their personal request, assuming that if no bond had been filed in the office of the First Comptroller of the Treasury, as the law requires, by the person in whose favor the requisition may be drawn, a warrant for the money could not be passed by the accounting officers of the Treasury. In compliance, therefore, with the request of Mr. Cooke, a requisition upon the Secretary of the Treasury for $20,000 was issued by the Interior Department on July 31, 1872, and on the 2d of August, 1872, a similar requisition for $50,000 was also issued by the Department—both requisitions in favor of H. D. Cooke, treasurer of the Reform School. It was presumed by the Department that the requisitions took the usual course, and that drafts for their respective amounts were issued by the Secretary of the Treasury to Mr. Cooke, upon which the latter drew the money from the Treasury.

By a provision of the sundry civil appropriation act approved March 3, 1873, Congress appropriated an additional sum of $15,000 for the purpose of providing for certain improvements in the buildings and grounds of the Reform School. Although there was nothing in the provision to indicate that this appropriation was disbursable by the Interior Department, the Treasury Department placed the amount under the control of that Department, and Mr. Cooke having made, on June 30, 1873, a request similar to his former ones, a requisition in his favor to the amount of $15,000 was duly issued by the Department on the 8th of July, 1873.

It is implied by the statute, continues Secretary Delano, that certain bankruptcies involved a loss to the Government of the sum of $31,772.29, being moneys appropriated by Congress for the Reform School and drawn from the Treasury by Henry D. Cooke, as treasurer, and unaccounted for by him. A certificate has been filed, however, in the Department by the finance committee of the board of trustees of the school, showing that of the entire sum of $85,000 drawn by the treasurer he had expended for the several purposes for which it was appropriated the sum of $66,613.42, leaving to the credit of the treasurer, as stated on his books, a deposit with Jay Cooke & Co. of $18,386.58, which seems to be the sum lost by the bankruptcy. Mr. Cooke's bondsmen were Messrs. A. R. Shepherd and D. L. Eaton, and his bond, given to the board of trustees of the Reform School, was for $5,000.

In the correspondence it appears that at the meeting of the board of trustees of the Reform School held July 25, 1872, the Peter farm, on which Fort Lincoln was located, was selected as a site for the school, provided the 150 acres fronting on the

REFORM SCHOOL FOR BOYS—"D" FAMILY BUILDING.

GREENHOUSES. STEAM-HEATING PLANT.

THE SPRING.

REFORM SCHOOL FOR BOYS.

pear, and peach orchards are all under a good state of cultivation, and the vineyards yield annually a bountiful supply of grapes.

Walls are not used, and fences are needed only to keep the outer world from intruding, and not to restrain the boys or prevent escapes, for kind treatment is appreciated, and the sympathizing efforts and judicious management are incentives that so gain the higher nature of the boys, that many of them can at all times be trusted to go anywhere on the farm, and even to the city, without being attended by anyone, and without any danger of their escaping.

By the act of March 5, 1872, the powers and duties in relation to the reform school and jail in the District of Columbia were transferred from the Secretary of the Interior to the Department of Justice, and by the act of May 15 of the same year the price to be charged to the cities of Washington and Georgetown and the county of Washington was increased from $1.50 to $1.75 per week for each inmate, to be paid on demand, with interest at the rate of 1 per centum per month if not paid within ten days. To the judge of the police court, the governor

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Bladensburg road could be secured for a sum not exceeding $30,000. The Secretary of the Interior made the purchase, and there then remained in the Treasury the sum of $70,000 for building purposes. On July 31, 1872, Hon. H. D. Cooke, treasurer, spoke to the board of the want of the $70,000 appropriated for buildings, and it was then resolved that Governor Cooke make his requisition at once for the whole sum of $70,000.

An additional $15,000 for steam-heating apparatus was withdrawn from the Treasury by H. D. Cooke, as has been explained. Mr. Cooke, under date of November 16, 1874, called attention to an error in the act of Congress assuming that the balance was $31,772.29 instead of $18,386.58, as appears on the books of the Reform School. This latter amount he held as treasurer of the Reform School, but he respectfully submitted that it was a mistake to say that it was then money belonging to the United States in his hands as a disbursing officer of the Government, or money of which any illegal or improper disposition was made by him within the meaning of the law. He held that the money was paid to him as the treasurer of the school, and not as disbursing officer of the Government; and was by him, with the knowledge of the trustees of the institution, deposited with a banking house, at that time in every way a responsible and proper depository. The subsequent loss of part of the money so deposited, by the unexpected failure of the banking house, however much to be deplored, did not, he claimed, in any way alter the character of the prior transactions, nor indicate that there had been any violation of law or culpable neglect on the part of either the trustees or the treasurer. Having been treasurer of the Reform School from its earliest days, and for a considerable period before it received any pecuniary aid from the United States, Mr. Cooke said that he had always, with the knowledge and approval of the trustees, kept his accounts as treasurer with the banking house of Jay Cooke & Co., then and for a long time thereafter the fiscal agents of the United States, and where it was frequently overdrawn; and it was never supposed or suggested by anyone, so far as he was aware, that the statutes mentioned had any reference to accounts of this character. He submitted that he had violated no law, that he had kept his accounts in a legal and prudent manner, and that he should not be responsible if, contrary to his hopes, the final settlement of the affairs of Jay Cooke & Co. should result in the loss to the Reform School of a portion of the balance now standing to its credit on their books. See H. R. Ex. Doc. 153, Forty-third Congress, second session.

of the Territory, and the president of the board of trustees of the school was given power to commit boys, but the justices were not to commit boys when there was no room for them in the school.

The act of May 3, 1876, revises and amends the various acts relating to the Reform School. It provides for a board of seven trustees, to be appointed by the President of the United States; makes the trustees a corporation for the purpose of holding property in trust for the United States; provides for the appointment of a bonded superintendent, two or more teachers or assistants, and a matron, at salaries fixed by law, and two or three master mechanics, a farmer, gardener, and necessary servants and laborers, at compensations fixed by the trustees, subject to the approval of the Attorney-General; provides for a treasurer, to give bond to the United States for not less than $20,000; fixes the duties of the superintendent, and requires him to employ "such methods of discipline as will, as far as possible, reform their [the boys'] characters, preserve their health, promote regular improvement in their studies and employments, and secure in them fixed habits of religion, morality, and industry;" provides for the commitment of boys by the courts and the president of the board and for placing out boys; fixes the price to be paid by the District at $2 per week for each boy, and provides for the appointment of one Senator and one Member of the House of Representatives as consulting trustees. Subsequent acts provide that one of the Commissioners of the District of Columbia shall be a trustee, with full powers; that an inventory of property and a full statement as to the labor employed be reported annually to the Commissioners of the District of Columbia; that an itemized account of the income of the school shall be submitted to and approved by the District Commissioners; that all revenues be paid into the Treasury to the credit of the United States and the District of Columbia in equal parts, and that the Commissioners shall control the expenditures.

The superintendent of the school is, and during the past quarter of a century has been, Col. George A. Shallenberger. Col. Cecil Clay is the president of the board of trustees; Mr. John E. Carpenter is the vice-president, and Mr. S. W. Curriden the secretary and treasurer. Messrs. N. W. Burchell, John E. Fitch, Crosby S. Noyes, William M. Shuster, jr., and William S. Thompson are trustees. Congressman Dockery represents the House, and Hon. John W. Ross the Commissioners.

II.

Under the date of March 6, 1876, Timothy Lubey, commissioner of the Washington Asylum, addressed to the Commissioners of the District of Columbia a letter in which he stated that there were at that time confined in the workhouse of the District a number of women for the crime of vagrancy, enticing prostitution, and the like. "These poor creatures," he said, "repeat their offenses so often that a majority of their lives are passed in the workhouse, during which no special effort is made toward their reformation, nor are the influences or surroundings of the workhouse calculated to make a change in their mode

REFORM SCHOOL FOR BOYS—MANUAL TRAINING SCHOOL AND BAKERY.

of life. In other words, they are poor outcasts, heartily shunned by their own sex and abandoned by the other." He called the attention of the Commissioners to the necessity for a reformatory institution, under the direct control of the District government, where these women could be sent and cared for, and where their time and labor could be utilized both to themselves and to the State, and where a special effort could be made and certain influences thrown around them to change and reform their lives and mold their minds and character toward a happier and better end.

He suggested that the Georgetown almshouse be set apart for this purpose, and that $5,000 expended in repairs and furniture would make it suitable for 50 persons, while $10,000 for the first year would cover reasonable expenses. Mr. Lubey called attention to the fact that throughout this country and Europe a class of institutions, both penal and reformatory, for the benefit of girls and women had been founded and fostered by the State with most beneficial results. In all of them the inmates were required to perform some class of labor not inconsistent with their physical strength, such as paper-box making, sewing, knitting, and in some cases light gardening. They were required to perform the housework, washing, repairing, etc., for the institution.

"Long ago," he adds, "the managers of these institutions discovered that moral suasion was more potent for good than harsh measures, and all agreed that the only way of reforming the vicious and criminal girls and women is to abandon the usual prison system and group them together in a community, insisting upon the discipline essential to good government, providing such employment as will render the period of their detention less irksome, seeking to impart to them such education as the elementary books afford, maintaining and improving their physique by wholesome recreation, and above all by the channel of religious instruction to teach them the duty they owe to society while on this earth, and to lead them to a firm belief in their forgiveness and happiness in the world to come."

From a carefully prepared statement of the experiences of the various States, Mr. Lubey found that the tendency of all the large cities was to center the care of all the poor into competent hands, under official appointment, and not intrust the distribution of moneys to half a dozen different managers of institutions both private and public. In the Commissioners' Report for 1877 Mr. Lubey repeats and strengthens his recommendations for a reform school for girls.

George A. Caswell, commissioner of the Washington Asylum under the permanent form of government, took up the question of the girls' reformatory where his predecessor, Mr. Lubey, had left it, stating that the Washington Asylum was at that time little better than a school of vice, and recommended an institution for the care of girls who were not habitual criminals.

In his report for 1879–80 Thomas P. Morgan, major and superintend-

ent of the Metropolitan police, states that his department is very frequently called upon to seek out the hiding places of truant young girls. When found, perforce, for want of a place in which an attempt could be made at their reclamation, they were returned to their parents or guardians, again to meet and mingle with the same vicious companions, and in too many cases to return to their evil ways. Could they have been submitted to the counsel and encouragement afforded by a well-conducted reformatory, he says, their reclamation would be more than probable. Once founded, an institution of this character could, it was believed, be made self-supporting by the labor of the inmates in the various light employments, plain and fancy needlework, etc., to which women are adapted, and at the same time be the means of teaching them a method of honestly earning their living when discharged. The House of the Good Shepherd, in Baltimore, an institution of the character suggested, under the auspices of the Roman Catholic Church, had kindly taken many cases of abandoned young girls from Washington, but could not, in justice to the demands of its own city, respond to the calls of this department.

In his report for the year ending June 30, 1880, the major of police again calls attention to the necessity of a reformatory for girls in the following language:

An institution for the reformation of erring girls is greatly needed in this District. This department is very frequently called upon to seek out the hiding places of such, but when successful, as we generally are, of what avail is it? We have no place in this District to which they could be consigned, where by judicious, moral treatment, counsel, and encouragement an opportunity would be given them to reform, which in many cases would, I think, be successful. At present, for lack of such an institution, the fugitives, after being brought from their hiding places, are, perforce, returned to their parents or guardians, to be again subjected to the same influences that caused their fall, thus rendering it nearly impossible for them to ever become respectable members of society. All this in the capital of the United States, a city of 178,000 inhabitants, and in the nineteenth century. A new District jail was required, and it was built. We have station houses scattered all over the District for the detention of violaters of law, but not a place in all our magnificent city to enable or assist an unfortunate girl to overcome the results of the first false step in life.

I can not too strongly recommend the establishment of such an institution; humanity as well as the interests of society imperatively demands it.

Major Brock, superintendent of police, in his report for 1882 returns again to the subject of the reformatory for girls, saying that he can not allow the present opportunity to pass without calling the attention of the Commissioners to the great necessity existing for an institution for the reformation of girls. He says:

We have a reform school for boys. It is working well and is giving satisfaction to the community, many of its former inmates having through its influences changed their mode of life and become useful members of society. It is at least of equal importance that young girls, having through means and temptations that we know not of taken the first false step in life, should not be allowed to sink more and more

REFORM SCHOOL FOR BOYS—OLD FARM BUILDING.

REFORM SCHOOL FOR BOYS—THE BARN

:o the mire of sin and shame without an attempt being made for their reformation. is department is frequently called upon to seek out the hiding places of erring ung girls, but when successful, as we usually are, of what avail is it? We have place in this District to which they can be consigned, where, by judicious, moral atment and counsel and encouragement, an opportunity would be given them to 'orm. Such an institution would, in my opinion, result in the reformation of a ge number of such cases. At present the fugitives, after being taken from their ces of concealment, are perforce returned to their parents or guardians, to be ain subjected to the influences that caused their fall, thus rendering it nearly possible for them to become respectable members of society. Humanity and civil- tion require that at least an effort be made to bring the erring ones to a sense of evils attendant upon a continuation of their errors. Such an effort, to be suc- sful, can only be made by totally severing the ties that bind them to their former des of life, and for such purposes I again respectfully recommend the erection in suburbs of this city of a building to be used as a reformatory for girls.

III

The act incorporating the Reform School for Girls in the District of olumbia, approved July 9, 1888, creates a body corporate to be known the board of trustees of the Girls' Reform School of the District of olumbia, and names Samuel S. Shellabarger, Augustus S. Worthing- n, Adoniram J. Huntington, William C. Dodge, Mills Dean, Orren . Staples, James E. Fitch, Thomas P. Morgan, and Alexander Graham ell as the incorporators. No organization was ever effected under is act because no appropriation was made to carry out its provisions. n February 11, 1891, a bill was passed by the Senate appropriating 5,000 for the establishment of the school, but the bill was not passed the House of Representatives. The District of Columbia appropria- on bill for the fiscal year ending June 30, 1893, approved July 14, 1892, ntained the following appropriation:

Reform school for girls.—For the erection and completion, according to plans and ecifications to be prepared by the inspector of buildings and approved by the mmissioners of the District of Columbia, of a suitable building or buildings to used as a reform school for girls, $35,000, to be expended under the direction of d Commissioners. Said building shall be erected on land belonging to the Gov- ment, to be selected by the Attorney-General, the Secretary of War, and the gineer Commissioner of the District of Columbia.

In accordance with the above provision, the building at present cupied by the school was erected at a cost of about $25,000, the mainder of the appropriation being expended for water supply, stable, ading, fencing, etc. The land selected by the Attorney-General, the ecretary of War, and the Engineer Commissioner of the District of olumbia, was the old farm of 19 acres situated at the junction of the oughborough and Conduit roads. The land had been lying fallow for ore than forty years, and was overgrown with thickets; and also it is ll of ravines.

The building was finished about November 1, 1893, and was turned er to the board of trustees of the Girls' Reform School, by whom it

was formally opened for the reception of inmates, November 6, 1893. The board of trustees then notified the chief justice of the supreme court of the District of Columbia that the school was ready for the reception of girls, to the limit of 29. On November 6, 1893, the first girl was committed to the school, and admissions followed in rapid succession, until the school was crowded to its utmost capacity. From the time of the opening of the school until the end of the first fiscal year, 38 girls were committed, of whom 32 remained in the institution at the close of the year, 3 were turned over to the board of Children's Guardians, 1 was bound out, 1 was released at the request of the judge who committed her, and 1 was sent to the Government Hospital for the Insane.

Although the building was constructed to accommodate only 29 girls by placing girls in the larger cells and also in the room that was intended as a hospital, 32 girls were provided for at one time. Almost daily application was made to the trustees by the judges of the police court and by others to receive girls, but it was impossible with the accommodations to receive more inmates, so that the school was practically closed against the reception of all comers.

Nearly all the girls committed were guilty of theft; they lived in the midst of low surroundings, had been badly clothed and ill-fed, and were without moral training.[1] Most of them were illiterate. Two teachers were employed to teach reading, writing, sewing, cooking, household duties, and gardening, many of the girls being fond of work in the open air. In the second annual report William C. Endicott, jr., president of the board of trustees, states that in the District of Columbia there are many criminals under the age of 18, and that the number is rapidly increasing. Statistics from other cities north and south show that female criminals under 18 years of age in the District of Columbia bear a larger proportion to the population than in any other city in the Union. "This would appear to be due," says Mr. Endicott, "to the presence of such a large colored population as there is in the District of Columbia," but when it appears that New Orleans, with much larger population, does not have nearly so many colored criminals, other causes must be looked for.

"In this District the colored people are in better condition than the same class in any other part of the country. They are better off, more intelligent, receive larger wages, and have for more than a quarter of a century had the advantages of good schools. The following facts may to some extent explain the large percentage of girl criminals:

"From the official reports of the intendant of the Washington Asylum (workhouse) it appears that of the 2,581 girls committed to that institution since June 30, 1885, only 39 of them were white, while the white

[1] Report of the president of the Girls' Reform School of the District of Columbia, 1894.

THE REFORM SCHOOL FOR GIRLS.

population of the District of Columbia outnumbers the colored population two to one.

"From the reports of the superintendent of the Metropolitan police, the girls arrested in the District of Columbia from the fiscal year ending June 30, 1887, to June 30, 1894, are as follows:

Year ending June 30—		Year ending June 30—	
1887	791	1891	1,271
1888	923	1892	1,197
1889	877	1893	1,284
1890	1,112	1894	1,171

"In a period of seven years, from 1887 to 1894, this table shows an increase of nearly 50 per cent in female criminals, while the population increased at about 2 per cent per annum. Of this large number of arrests made by the Metropolitan police in the District over 2,500 were committed to the workhouse.

"Up to the time of the opening of the Girls' Reform School of the District of Columbia there was absolutely no effort made in the District to reform colored girl criminals. The House of the Good Shepherd in Baltimore, and later the House of the Good Shepherd in Washington, and the House of Mercy in Washington, have been actively engaged for some time in their efforts to reform white girls. While the present reform school is not intended alone for colored inmates, still up to the present time no white inmate has been received at the institution. It will be observed that since the opening of the Girls' Reform School (now some eight months since) the result appears to have been that there was a decrease in the number of convictions by 160, or over 40 per cent."

From the beginning the school has had the cooperation of the Board of Children's Guardians in placing out girls, and to that extent has been able to find homes for such as were fitted for home life without any tax upon its own resources. The industrial report for the second year of the school is both interesting and instructive. Mrs. Jessie Aldrich, the superintendent, states:

All the garments (some 570 in number), consisting of dresses, underwear, aprons, etc., have been made by the inmates under the direction of the sewing teacher. The majority do not like this work, and as this is an age of ready-made clothing, few, if any, knew anything of sewing when committed.

The most satisfactory work that is done is in the laundry, but they are comparatively young for such heavy washing as ours, and I would recommend that with increased accommodation provision be made for a practical laundress.

Our opportunities for teaching cooking are limited; the food is necessarily of the plainest kind, but our matron has succeeded wonderfully with the material at her disposal, and has turned out several excellent bread makers.

It is most encouraging the progress many have made during the past few months in their school hours; they have become so interested and seem anxious to learn all they can, fully two-thirds of them being entirely ignorant of their alphabet when they came to us.

We have not been able to make as good a showing with the farm as we had hoped, owing to the condition of the land. For fifty years it has been allowed to remain in an uncultivated state, and was a vast wilderness of locust and undergrowth, requiring much labor in grubbing and clearing. Notwithstanding this and a long, dry summer, we have grown nearly all the vegetables required for our use and sold $24 worth of early potatoes.

We also planted an orchard of six different varieties of fruit, 200 trees in all, 1 acre of Early Rose potatoes, 1½ acres late potatoes, one-half acre sugar corn, 4 acres of late corn, one-half acre of melons, one-fourth acre of tomatoes, one-eighth acre each of cucumbers, celery, squash, and pease, one-half acre of beans, 4,500 heads of cabbage, one-half acre of strawberries, one-fourth acre of sweet potatoes, 1¼ acres of turnips, one-eighth acre of beets, parsnips, and oyster plant.

CHAPTER XIV.

THE RELIEF OF THE POOR.

THE first appropriation made by Congress for the relief of the poor in the District of Columbia is contained in act of July 4, 1864, appropriating $2,000 for the relief of the victims of the explosion in the cartridge factory in the United States Arsenal, the amount being increased by $2,500 two years later. In 1867 the sum of $15,000 was expended, under the direction of the Freedmen's Bureau, for the temporary relief of the destitute poor, and it was provided that where practicable the money should be used to give employment on public works. In 1869–70 $30,000 was expended under the direction of the mayors of Washington and Georgetown and the president of the levy court of the District of Columbia, and in 1870–71 the further sum of $30,000 was appropriated to enable the Secretary of War to provide for cases of absolute necessity among the poor of Washington and Georgetown, on recommendation of the Washington Association for the Improvement of the Condition of the Poor, or the National Freedmen's Relief Association, or the Industrial Home School. The Secretary of War was empowered to agree with the benevolent institutions named, or with other persons, to furnish the supplies necessary, whenever he could do so advantageously. In 1872 the Secretary of War expended $12,000 on the care of destitute aged persons in the District of Columbia, and in 1875 the Commissioners of the District of Columbia obtained an appropriation of $10,000 to relieve the suffering poor.[1]

Under the act chartering the Washington Market Company the annual rental of $25,000 paid by that company was set apart for the support and maintenance of the poor.[2] Under this law the District Government became a trustee of this fund. The company claimed that the rental was subsequently reduced to $20,000 by joint resolution of the District Assembly; and that, still later, the Board of Public Works, acting under a law of Congress authorizing it to purchase a site for a municipal building, purchased from the company the property immediately in front of the market building, agreeing as a consideration to further reduce the annual rental to a sum varying from $5,500 to $7,500, according to the amount of annual tax upon the market company; and

[1] Senate Ex. Doc. 84, Forty-fifty Congress, second session, pp. 119, 120.

[2] Act approved May 20, 1870.

that the difference between the varying sum and the full amount of the poor fund should be paid by the District Government.[1] From July 1 to December 1, 1874, the amount received from this source was $3,257.44; of which sum $656.50 was paid for the treatment of the poor at the Freedmen's Hospital and $200 was paid to charitable institutions.

This very heavy reduction in the amount received for the relief of the poor was accompanied by a change in the method of administering relief and by an economy that left the District rather benefited than injured by the new system. During the fiscal years 1871 to 1873, inclusive, the average annual expense was $18,406.92. Under the board of health during the three months ending November 30, 1874, the expenditure was at the rate of $5,000 per annum. The number of persons treated by the physicians to the poor was 840, and the number of burials at public expense was 49. During the succeeding eleven months 5,797 persons were treated, at a cost of $7,029.06 for physicians' services and $2,162.65 for medicines. Congress having failed to provide the necessary means to continue the work, the employment of physicians to the poor was discontinued August 31, 1876. The number of people who died in the District of Columbia without medical attendance during that year was 689, as reported by the medical sanitary inspector. "What a comment upon a civilized community!"[2]

II.

The act of June 11, 1878, providing a permanent form of government for the District of Columbia, abolished the board of health and created the health office, to be under the charge of a physician appointed by the Commissioners of the District of Columbia, and known as the health officer. Dr. Smith Townsend, the first incumbent of the office, in his first annual report called the attention of the Commissioners of the District to the fact that a number of people died annually in the cities of Washington and Georgetown for want of medical attendance and the want of medicine, while untold suffering was entailed upon many that survived. He held that the District of Columbia had a large pauper element, brought hither by certain peculiar causes which have affected no other city. In his first report Dr. Townsend says:

> There are at this time 40,000 negroes in the District, a majority of whom flocked to the seat of Government just after the war, expecting to gain an easy livelihood and find perpetual employment at the hands of those who gave them freedom; but the reaction came, and with it hard times, and these people found that freedom had its trials and tribulations as well as its joys and pleasures. Once imbued with the customs of city life, they were loath again to return to the farm and field, and they have remained in the shanties and huts which fill the alleys and back streets of Washington and Georgetown. Poorly clad, ill fed, and surrounded with filth and

[1] Report of William Birney, assistant attorney, District of Columbia, December 1, 1874.

[2] Report of the Board of Health for 1897, page 9.

squalor, they fall an easy prey to disease and are a constant care to the health authorities.

There is also a large number of poor whites who find the struggle for existence a hard one, and who, when sickness overtakes them, find difficulty in procuring medical attention. Many persons are annually brought to the national capital by reason of the tedious delays which sometimes attend legislation, or the procurement of official position, or through the failure of some cherished plan, and are thrown upon the charities of the District. Should disease overtake them in poverty there is no provision for their cases. There is no other city in the country of even half the population of Washington but that makes provision for the medical care of its indigent poor. That many die for lack of medical care is illustrated by the fact that the health officer is called upon daily to investigate the cause of death in cases where no physician had been in attendance, and where no medical aid whatever had been rendered.

On January 15, 1879, authority was granted to the health officer to expend $1,200 in the care of the sick poor, that amount to defray the expenses of the service to March 31 following. Dr. Townsend set out at once to organize the service and systematize its workings. The first thing done was to appoint 9 physicians, at a salary of $30 a month each; then 12 druggists were designated and contracts entered into with them to furnish medicines upon prescriptions of the physicians to the poor at reduced rates. Knowing that the most rigid economy and closest surveillance would be necessary in conducting the service, the health officer issued explicit instructions to the physicians, stating that reliance would be placed upon their judgment in determining those properly entitled to this charity, and in judiciously selecting and prescribing medicines and appliances in the treatment of diseases, with a view to economy, as well as to the best interests of the patient and the public. A sick pauper entitled to their attention and prescription was defined in plain terms, and they were then instructed in cases of doubt always to lean on the side of humanity and sympathy for the suffering.

A list of preparations and the quantities designated were given as being believed to be adequate for the requirements of the service, and the contract druggists agreed to furnish, at a price not to exceed 15 cents for each prescription, medicines of the best quality, properly prepared and put up, upon prescriptions of the physician to the poor, and to furnish to the health officer weekly statements of accounts upon blanks furnished for that purpose, prescriptions being retained as vouchers. The physicians were also required to make weekly reports, showing the name of patient, location, age, sex, color, social relation, whether the attendance was by office consultation or visit, and general remarks.[1]

In the opinion of the health officer the system worked admirably, and in a short time everything ran smoothly, and the sick poor were well provided for. Before the expiration of the term for which the $1,200 was furnished, an appropriation of $5,000 for this service was secured and the work was continued on the same basis, better results ensuing

[1] The system then adopted is still in use.

than, in the opinion of the health officer, could have been accomplished by any other system. "Various methods have been urged as substitutes," the health officer says, "but nothing presented so far compares favorably with the one adopted." Some persons favored the establishment of a dispensary and the enlistment of a corps of volunteer physicians, but he thought the failure of volunteer enterprises of most kinds where considerable labor has been involved was a sufficient argument against this method. "Physicians, like most other mortals," he said, "like to be remunerated to a certain extent for their services, and when acting in a volunteer capacity prefer to go according to their own ideas rather than in conformity with any established rule set up by one acting as their director. System is required in all work, and unless the man is paid for his services he chafes under discipline. A paid corps of physicians for attendance on the poor is of all things necessary, and is as far superior to what it would be under a volunteer system as the paid fire department is in comparison with the old volunteer companies."

In this connection the health officer disclaimed any reflection upon "that worthy, benevolent, and well-conducted institution, the Central Dispensary, which has rendered much assistance in taking care of those persons able to present themselves for treatment, and which was doing good work in its way. Volunteer physicians in this case attend, during certain hours of the day, all applicants who present themselves at the dispensary, but this does not reach the class attended by the physicians to the poor, and the kind of volunteer service here involved is very different from covering a certain piece of territory and being bound to answer, day or night, any call that may be made."

The health officer estimated that $7,000 annually was required to conduct the service properly. In addition to supplying the poor with medicines and medical attendance, the health officer, during 1879, supplied the sick poor with food, under an appropriation of $3,000. Through the medium of the physicians to the poor, a list of articles of diet, such as would be suitable for the sick person and his or her family as well, was made, and contracts were entered into with grocers at convenient points in the various sections to furnish these articles upon orders of the physicians to the poor at reduced rates. The system worked to the entire satisfaction of the health office, the expenditures coming far within the limit of the expectation of the health officer.

The investigations of the office showed that the most worthy objects of charity were not those who proclaimed their needs upon the highway and asked alms of all they met. This class would bear watching. The public charities are the ones most preyed upon, and it was surprising to learn the class of persons who would apply for alms when it is known that any general fund was to be distributed. Hundreds of applications were made to the physicians to the poor for orders for food by persons who were not in the remotest degree entitled to the benefits of such a charity. Acting under instructions to investigate every case carefully

and satisfy themselves of the worthiness of applicants before giving orders, many of these unworthy ones were brought to light. When informed that they were able to take care of themselves, or that the fund was only intended for the really destitute, they said that they "heard it was being given out, and they thought they might as well get some of it as anybody else," or that they "had as much right to it as so and so," who had been helped, etc.

III.

On November 20, 1878, John Connell, sanitary officer of the Metropolitan police, reported that scarcely a week passed without two or three persons being brought to his office by officers of the Executive Mansion, or from the several police stations, who, upon examination by the proper medical officers, were found to be insane, and who had to be sent to the Government Hospital for the Insane at the expense of the District, although they were in no sense its proper wards.

His office was also charged with furnishing transportation for non-resident paupers toward their homes. This class of paupers had increased very much during the past year, many of them being wounded soldiers or soldiers' widows, or the mother or sister of a deceased soldier, who were unable to provide themselves with the necessities of life owing to the general stagnation of business and their utter inability to obtain employment of any kind. In their necessity they were tempted to come to Washington in the hope of obtaining employment of some kind from the Government, or securing a pension. Failing to obtain work, and rarely obtaining pensions, they found themselves among strangers, without means to return to their homes. The amount allowed for the transportation of prisoners to the workhouse and for paupers was but $2,000. The item of transportation to the workhouse amounted to $1,200, leaving a balance of but $800 for the transportation of paupers, which was entirely inadequate. The sanitary officer remarked that such people, by their personal appeals were frequently annoying, not only to individual citizens but to Members of Congress during the session; and he asked for an increased amount for the transportation of these poor people toward their homes.

He reported that during the year he had sent to the Washington Asylum sick and destitute persons to the number of 361; to the Providence Hospital, 140; to the Freedmen's Hospital, 107; to the Government Hospital for the Insane, 84; to the Columbia Hospital, 4; to the Colored Orphan Asylum, 2, and to St. Ann's Infant Asylum, 1, making a total of 699.

IV.

In January, 1881, a meeting was held at Willard Hall, and a fund was raised for the relief of the poor. The money was expended under the direction of the Commissioners of the District of Columbia, through

their agent, the chief of police. The sum of $11,751.33 was received, and the disbursements were 50 cents in excess of the receipts. In addition to the cash receipts, a considerable quantity of supplies in the form of food, fuel, clothing, and bedding was contributed and distributed.

This fund and the other contributions were the spontaneous manifestation of sympathy with, and a desire to relieve, the suffering of the poor unprepared to bear the trials of a hard winter. More than 6,000 families were relieved. Major Brock, the chief of police, directed his men to examine into the wants of the poor within their respective precincts, and upon reporting the necessities of an individual an order signed by the lieutenant of the precinct was good for whatever was most needed in the special case. The order was filled by the merchant to whom it was presented and returned by him to the lieutenant who issued it. On his approval it was paid by the chief of police. A committee of citizens, consisting of Reginald Fendall, F. B. McGuire, and Louis J. Davis, audited the accounts.

On January 9, 1884, the major and superintendent of police represented to the Commissioners of the District that so great distress existed among the poor of the District that extraordinary efforts were demanded for their relief. The Commissioners thereupon resolved to appeal for help to the citizens at large. On the evening of January 10 a public meeting was held at Masonic Temple, Commissioner Edmonds presiding. As the result of that meeting $7,095.45 was collected. The amount was contributed by the citizens at large, by the police, by the employees of the various Government Departments, and by certain entertainments given for the benefit of the fund. After relieving all cases of distress, there remained a balance of $949.33, which amount was divided among the Washington City Asylum, St. Vincent's Orphan Asylum, and the German Orphan Asylum, in sums of $100 each, the remainder going to the Night Lodging House—in the opinion of the committee, a most deserving charity.

In all, 2,715 families, averaging four persons each, were relieved. Of these, 793 families were white, and 1,603 families were colored. The average expense was $2 a family. The committee, consisting of R. Ross Perry, Reginald Fendall, and Simon Wolf, reported to Hon. Walter S. Cox, the chairman of the citizens relief fund, that "while it was true that the cases relieved were generally worthy of relief, the committee would nevertheless urgently recommend the procuring of more stringent laws in connection with vagrancy and pauperism. A man who won't work and yet asks charity ought to be made to work. We trust that the Commissioners will consider this matter, and endeavor to procure more effective and absolute legislation in the premises. The committee expresses the belief that the plans proposed by the Associated Charities will, when properly matured and developed, render unnecessary any future appeal to the citizens at large."

V.

In December, 1896, the Commissioners of the District of Columbia invited a number of citizens to become members of a committee to take charge of and disburse such private contributions as might be made for the relief of the poor. This committee was requested also to consider and report to the Commissioners an effective plan for permanent relief of the poor of the District of Columbia, including such measures of relief as may come from the erection in Washington of convenient and comfortable homes to be let at reasonable rentals to persons of small means, having specially in view proper sanitary and helpful surroundings. In response to this invitation the following persons met at the rooms of the Board of Trade on Monday, December 7, 1896, and formed a temporary organization: John F. Cook, C. B. Church, Rev. W. E. Parsons, James W. Somerville, James E. Fitch, Henry F. Blount, B. T. Janney, Hugh T. Stevenson, Col. John Tracey, Louis W. Ritchie, M. D., Surg. Gen. George M. Sternberg, Rev. Charles Alvin Smith, Mrs. J. W. Babson, Mrs. H. B. F. Macfarland, George S. Wilson, Mrs. Frederick McGuire, William Redin Woodward, A. T. Britton, Hon. Beriah Wilkins, Bishop Satterlee, John A. Baker, and T. A. Lambert.

Hon. Charles C. Cole, who had been chairman of a former relief committee, was unanimously elected chairman of the Central Relief Committee; Mr. George S. Wilson, the general secretary of the Associated Charities, was made secretary, and Hon. Beriah Wilkins, treasurer. A plan of work was laid out and the Associated Charities was recommended as the one and only agency through which disbursements should be made. In explaining the reasons for recommending the Associated Charities as the sole agency for information, the committee stated that one of the great troubles and dangers of the past has been the fact that so many different societies were employed, duplicating information and work, leading to a great deal of trouble, and sometimes triple distribution to the same parties. If one agency only is employed, investigation will be more thorough and can more reliably be depended on, and frauds in a great degree will be prevented. Also the influx from neighboring States of the army of mendicants, who for the past few years have invariably flocked to Washington, would be prevented. On March 12, 1897, the Central Relief Committee reported that the new arrangements were very satisfactory and had prevented almost entirely the duplication of relief, and at the same time had enabled the committee to relieve the really needy.

The great majority of applicants for relief were already known to the agents of the Associated Charities, and those cases were promptly passed upon, while the families that were not already known were promptly visited and the circumstances were examined by the agents of the society. Through this personal knowledge not only was fraud

prevented, but the lady visitors were able to find and relieve those families who frequently were unwilling to make known their condition. These visitors were enabled to reach the quiet self-respecting families who shrink from making their wants known at a crowded relief agency, and such families were quietly relieved of their necessities. Over 2,000 separate families were relieved, and the committee believe that few cases of real suffering were not attended to. With a fund of a little over $3,000 the work of the winter was accomplished and a considerable balance remained to be used for cases of emergency during the summer months. This report was signed by Henry F. Blount, the chairman, and George S. Wilson, the secretary.

The financial committee, of which Mr. James E. Fitch was chairman, reported that money had been raised by a general appeal through the press, by a special appeal by circular letter sent to a comparatively few persons, and also an appeal to the several Departments of the Government for 50-cent contributions from employees. The responses to these several calls were prompt and generous, that from the Departments, amounting to $2,610.52, being particularly so. The total receipts were $8,600.34, of which a balance of $4,867.77 remained in the hands of the treasurer unexpended, rendering unnecessary any further contributions from the public.

Besides the work done by the Central Relief Committee the Commissioners expended through the police the sum of $1,000, taken from the fund for the relief of the poor, and $1,407.38, interest on the centennial inaugural fund, which fund is made up of the balances left in the hands of inaugural committees after paying the expenses of inaugurations.

A further sum of $1,583.80 was realized from a charity concert given under the auspices of Mrs. Thomas C. Noyes, and was expended in relieving 6,000 persons, to whom orders for provisions, fuel, clothing, and shoes were given. Donations received and entered by the superintendent of police upon his individual cash book and expended for provisions, fuel, and rent, upon vouchers submitted and approved, aggregated $2,130.58, and the total number of persons relieved is placed at 13,825.

During the winter of 1897–98 the Commissioners of the District of Columbia placed in the hands of the Central Relief Committee the entire work of furnishing relief to the poor, and contributed to the funds of that committee $1,000 from the fund for the relief of the poor, thus relieving the police department of work that never properly belonged to it.

VI.

The Associated Charities is a private organization, supported entirely by voluntary contributions. It was incorporated under the general act in January, 1882, and has therefore been organized about sixteen years. For fourteen years the society worked as a relief-giving organization,

collecting and disbursing funds for the relief of the poor, and through its agents and volunteer visitors endeavoring to teach the poor better habits of life, and, so far as possible, to raise them to a condition of self-support and independence.

The society also has endeavored to bring about cooperation among the various charitable organizations in the community; but it was found that, being a relief-giving organization itself, the society could not procure the desired cooperation from other relief agencies, and in November, 1895, the society was reorganized and a new constitution was adopted, eliminating the relief-giving features from the organization.

Since that time the society has endeavored more and more to act as a clearing house for charities and a bureau of general information regarding the poor of the community. It keeps on record a history of every poor family reported to its agents, and it makes investigations for societies and individuals when requested to do so. The information on file in the office of the society is at the free disposal of all persons having a charitable interest in the poor.

Since the reorganization of the society the amount of outdoor relief found necessary has been very greatly reduced, and duplication of giving has in a large measure been prevented.

The society also has organized a band of volunteer workers, who give their time and attention freely to the poor, not as almoners, but in a friendly relationship, studying the particular needs of each individual case and seeking the best methods of raising the family into a condition of self-dependence; in short, looking rather to the permanent welfare than the temporary relief of the poor.

The scope of the work done by the Associated Charities is illustrated by an appeal recently sent out, as follows:

To most people, giving for charity means simply hand-to-mouth relief; their feelings are appealed to to allay suffering, and they give to that immediate end only. There is a broader aspect of it, and that is its sociological value, which it is believed those who have contributed to the administrative branch of the Associated Charities have come to appreciate by intelligent study and reflection.

To maintain the work it is necessary that we should retain a corps of workers in the field throughout the summer months, when so much preventive and constructive work can be done among the poor.

If we can keep our agents in the field throughout the summer, a great deal can be accomplished in the way of finding employment, teaching habits of thrift and industry, and collecting savings from those employed, so that there may be something ahead to provide for the winter. Last year, with only three agents employed, a great deal was accomplished, and over two hundred poor families opened savings accounts, and many of these families have been able to help themselves through the present winter without applying for charity. The only hope of real progress in solving the poverty problem is along these lines.

The general secretary of the society is Mr. George S. Wilson, who was called to Washington from Toledo, Ohio, where he had been successful in similar work. The officers are: Rev. B. L. Whitman, D. D., president; John Joy Edson, treasurer; Chas. P. Neill, Ph. D., secre-

tary. Board of managers: Prof. B. T. Janney, chairman; Mrs. J. W. Babson, Rev. J. H. Bradford, Gen. Geo. H. Harries, Col. Archibald Hopkins, Miss K. P. Hosmer, F. L. Moore, Chas. P. Neill, Ph. D., Dr. M. D. Peck, Rev. Chas. A. Smith, Thos. W. Smith, Miss F. P. Spofford, Geo. Truesdell, S. W. Woodward.

VII.

Under the general head of the relief of the poor may be classed the work done by the Washington Humane Society. By virtue of the authority contained in an act approved February 13, 1885, the Commissioners of the District of Columbia were authorized to detail a police officer as agent of the Humane Society for the purpose of preventing the neglect and abuse of children. This work was taken up before the establishment of the Board of Children's Guardians. The police officer detailed investigates cases of neglect and takes up children, for some of whom he finds places in the various charitable institutions of the city, while the remainder he turns over to the Board of Children's Guardians. Under the law adverted to the officer is required to bring the children before the courts and have them committed; but it has been the uniform practice of the officer to ignore this portion of the law and to deal with the children as seems to him for the best interests of the individual child, making a report of the same to the Humane Society. The society exercises no supervision over the officer beyond receiving his report, and expends no money on the work of child caring for in the District.

The society has its office in the Sun building. The president is Mr. A. S. Pratt; Mr. W. F. Stowell is the secretary; Mrs. H. B. F. Macfarland is the financial secretary, and Mr. Edwin M. Truell is the treasurer.

CHAPTER XV.

THE ORGANIZATION OF CHARITIES.

THE report of the Commissioners of the District of Columbia for the year 1875 invites the attention of Congress to the suggestions of the commissioner of the Washington Asylum for the reorganization of the public charities of the District, to the end of having them put under the control of a commission, to whom shall be intrusted the disbursement of all moneys, whether appropriated by Congress or contributed by the District for the support of such charities, and who shall account for the same to the District authorities, under such regulations as shall be prescribed by law.

In discussing this subject, Col. Timothy Lubey, commissioner of the Washington Asylum, calls special attention to the necessity that then existed for a thorough reorganization of the whole system of charities of the District. A matter of so much interest, he says, ought not to be deferred. Under the system as it then existed the District of Columbia sustained and governed a few institutions, the General Government a number, and there were private institutions of like character receiving yearly support both from the District and the General Government. "Such a system," says Mr. Lubey, "does not produce the best results, nor is there in it much unity of action. Concentrated effort should be the end desired."

From the tables given it appeared that during the preceding two years the sum of $379,246.73 had been appropriated for various institutions, each one of them under a distinct form of management. To harmonize the managements and to increase the efficiency of control, he recommended that all public charitable institutions, including the hospitals, be placed under the control of the District Government, and managed by a board selected from among the best citizens of the District, of both sexes, who should have general charge; that all appropriations of public moneys be made in the aggregate and be distributed by them, and that they should have at all times the right of inspection of all charities, public and private.

These recommendations having borne no fruit, the District Commissioners in their report for 1877 recommend a greater unification of the charities of the District, and the appointment of a board of charities. Such a board, wisely chosen from the best citizens of both sexes, they say, could make this great subject of pauperism and charity a matter

of careful study, availing themselves of every obtainable light and observation at home and abroad for their guidance and enlightened action.

In their report for 1879–80 the Commissioners again recommend that they be authorized to appoint a board, consisting of five citizens of recognized integrity and intelligence, to serve without compensation and subject to the control of the Commissioners, who shall have the power, and whose duty it shall be, to visit, inspect, and supervise all charitable, reformatory, and penal institutions supported in whole or in part by the District of Columbia, and under whose supervision and direction also all moneys for the relief of the poor shall be expended.

In their report for the year ending June 30, 1880, the Commissioners repeat their recommendation for the appointment of a board of charities. "It is impossible for the Commissioners," they say, "with their other imperative and engrossing duties, to give the attention to this subject which its importance demands." The appointment of such a board would also, they think, "tend to harmonize and concentrate in more stable and effective methods the benevolent forces of the community, which are now greatly impaired by unnecessary divisions and rivalries. Our institutions are numerous, but generally feeble and unstable."

In their report for 1883–84, the Commissioners once more call attention to the fragmentary and incomplete character of the charity administered through private institutions and by separate volunteers boards, without correlation of unity of purpose; and to the difficulty of the supervision of such a system, or lack of system, as was then in force. Until a better system can be devised, to enable the Commissioners to more thoroughly perform the duty of investigation devolved upon them by law, they recommend that they be authorized to appoint an inspector of charities, who should devote his time thereto and report thereon as required, and upon whose recommendation moneys appropriated might be paid or withheld, and relief given in needy cases not specially provided for, and mendicancy driven from the streets.

Again, in their report for 1884, the Commissioners state that the total appropriations for charitable purposes, and chargeable to the District expense for the year 1884–85, were $235,212. About $114,000 of this amount was appropriated for institutions managed by private boards of trustees, "doubtless upon the theory that public money is only given to supplement and encourage private donations." While this might be true in the cases of the Children's Hospital, St. Ann's, St. John's, and the German Orphan asylums, yet the Reform and Industrial schools, the Columbia Hospital and the Asylum for Colored Women and Children were almost wholly maintained from the public treasury. Other institutions were demanding aid, but the Commissioners were not sufficiently advised to judge of their comparative merits or necessities; and they express regret that "our institutions are not managed by a

common board of control, so that one kind of charity need not be duplicated, or overdone, to the neglect of others. Demands in the name of charity, the Commissioners say, are so great that close scrutiny is needed to limit the relief from the public treasury to the requirements of actual necessity and public advantage. Inasmuch as the common control of the various private institutions seemed to be thought unpractical, the Commissioners again suggested the appointment of an inspector of charities.

In 1886 the District Commissioners renewed their suggestion that the public expenditures for charities being so large it would be expedient to appoint an officer to devote his time to that service, with the accompanying legislation authorizing the Commissioners to withhold appropriations in case of needless extravagance, or failure to fulfill the reasonable expectation of public benefit on the part of the beneficiary.

During the year 1883, acting under the instructions of the superintendent of police, the board of police surgeons visited the various charitable institutions with the view of ascertaining their sanitary condition.[1]

At the Children's Hospital the sanitary condition and management of the institution were found to be wholly satisfactory in every respect. There were 47 patients in the hospital, and the daily average of dispensary patients was 30. The Women's Christian Association Home was found to be badly ventilated, its general condition was unclean, and the dormitories, especially those of the female children, were overcrowded. The diet was not as ample as it should be, and the variety of food was insufficient. There were no means of protection against fire. The institution was divided into two separate departments, one for adults and one for children. The average number of inmates in the adult department was 28, of whom 7 were free inmates. In the children's department were 32, of whom 6 were free. The management and general condition of the National Association for the Relief of Destitute Colored Women and Children were found to be excellent, and especially satisfactory from a hygienic standpoint. The building was found to be unsafe, being a perfect tinder box. It was lighted by oil lamps and stoves, and there was no protection against fire. The medical attendant, Dr. D. Darling, of the physicians to the poor, resided at Brightwood, entirely too far from the institution to be available in cases of necessity. It was suggested that the association be provided with a corps of attending and consulting physicians, and thus be placed on an equal footing with similar institutions in the District. The number of inmates were—boys, 58; girls, 38; women, 4; total, 100. At St. Ann's Infant Asylum the sanitary condition and management were found entirely satisfactory. It was suggested that the institution be supplied with fire extinguishers. The number of

[1] This report is to be found on page 417 of the Report of the Board of Commissioners of the District of Columbia for 1883–84, and not on page 270, as indexed.

children in the building was 80, and the number out with wet nurses 25. The building of the Church Orphanage of St. John's Parish was found to be not suited for the purposes of an asylum. The ventilation and heating were imperfect, the dormitories were overcrowded, and the children, though looking healthy, were untidy. There was no protection against fire. Most, if not all, the shortcomings mentioned were, in the judgment of the surgeons, the result of the want of funds to carry out the measures required for the best interests of the inmates. The number of inmates was 60, comprising children from 3 to 16 years of age. The sanitary condition and management of the Industrial Home School were found entirely satisfactory. Number of inmates—adults 6, children 67. This report was signed by Drs. S. A. H. McKim, Johnson Eliot, G. L. Magruder, and H. A. Kleinschmidt.

The following year the board made a second examination, with the result of finding the sanitary condition of the Industrial Home School all that could be desired; the hygienic conditions at St. Ann's Infant Asylum good in every respect; the church orphanage of St. John's parish little improved, excepting that there was a greater degree of neatness and cleanliness in the inmates and the rooms. Columbia Hospital was found entirely satisfactory. The Emergency Hospital was undergoing repairs, but making all due allowances for such a state of affairs, the board was disappointed; everything was in an exceedingly crude state, and with the exception of the reception room, presented a very uninviting appearance. The building was not well adapted to hospital purposes, as any rented building is apt not to be, being dependent upon the caprice of the landlord for repairs and necessary alterations; and while the amount of work done was far in excess of the appropriations, still more and better work could be done in properly arranged quarters. At the Children's Hospital the conditions were found in the main excellent, but the prorection against fire was insufficient. At the German Orphan Asylum the board found a frame edifice erected, and for a time used for a private residence. Laboring under the disadvantages of overcrowding and want of adaptability, everything was found in as good condition as could be expected. Plans were prepared for a brick addition looking to the real needs of the institution; and while there was much to commend, the board hoped the shortcomings would soon be removed by the contemplated addition. The home of the Little Sisters of the Poor presented a pleasing appearance. More room was needed to prevent crowding. The colored department, consisting of two brick buildings improvised into a home, needed the appropriation that had been made for the erection of a new building for the inmates. The Women's Christian Association showed a marked improvement over the past year in every department, and the inspection was a gratifying one. The sanitary arrangements were very good. In the Foster Home for Orphans the shortcomings of the previous year appear to have been remedied, but

a fire escape was needed. The surroundings of the hospital were commended to the attention of the health department.

The visit to the Reform School was made during a most busy season, when every one was engaged in either picking, canning, preserving, or shipping for the market the fruits raised on the farm. Everything connected with the school in the building and about the grounds deserved and received commendation, and several things which would have received notice as needing attention were found to be in course of correction or improvement. Neatness and order prevailed everywhere. The diet was good and the choice of articles and their preparation judicious. The building occupied by the colored inmates was equal in all respects to the one used by the whites, aside from the overcrowding. In this connection the board suggested that while purchasing the additional grounds needed for the school, a favorable opportunity might be seized to erect also a building to be used as an inebriate asylum—an institution so much needed and so much talked of in this District.

The board further suggested that the hospital at the Washington Asylum should be separated from all official connection with the workhouse and almshouse, and be created into a general hospital in fact as well as theory, and from its location and surroundings should be so inviting as to receive all who might desire hospital service at a moderate charge or as a charity. This would be a city hospital, and could be made to meet a growing want and fill a gap in the hospital accommodations of Washington.[1]

The board of police surgeons on November 4, 1885, reported that the German Orphan Asylum was found in an improved condition over that of last year. The board suggest that "future appropriations, if made, should be for a fireproof building and not for the enlarging of a perishable, combustible one." The Washington Asylum was found to be in excellent condition, the blemishes of the preceding year having been removed. The Little Sisters of the Poor objected to any official visit from the board, stating that the spirit of their order prevented them from receiving aid for the support of the home or any patient in the home; that it was supported by personal gifts and not by Government aid, although the building had been put up by money from the Government. It was the desire of the management to be free from both aid and official inspections, but anyone could visit and would be cheerfully shown through the home at any time. Unofficially the board reported a pleasant visit and everything in excellent condition.

The Home for Destitute Colored Women and Children was occupying a new building that provided ample air space and good ventilation. The children were in an excellent condition. An attending physician to the institution had been appointed, thus very properly relieving the physicians to the poor. There were 95 children and 6 old women in the home

[1] See report of Drs. Hurd and Chapin in report of the joint select committee, Senate Report No. 700, Fifty-fifth Congress, second session, page 55.

at the date of the visit, some of whom were still occupying a portion of the old building. At the Children's Hospital there were 41 patients, with an average daily attendance at the dispensary of upward of 20. The requisite precautions against fire had been taken since the preceding report. The Church Orphanage of St. John's Parish was providing for 55 children, who were happy and healthy. The addition provided since the last report had done away with overcrowding. The Industrial Home School was found in excellent condition, as was also St. Ann's Infant Asylum and the Columbia Hospital for Women.

The Emergency Hospital had been much improved since the former visitation. The number of patients treated in the dispensary was between 5,000 and 6,000, and the average number of emergency cases 30 per month. The board suggested that, while the hospital was doing a large amount of good, great care should be exercised to see that the charities thus extended should in all cases be given to such only as are not able to make proper compensation.

At the Reform School there was a lack in the water supply and overcrowding in the dormitory of the colored boys. Forty boys sleep in one room 60 by 40 feet, and 48 in another of the same dimensions. As a remedy for this evil the board advised the erection of another building. The Women's Christian Association Home showed marked improvements in all departments.

A clause in the District appropriation act approved July 5, 1884, prescribed that "the Commissioners should thereafter investigate the management of all institutions of charity within the District which may be appropriated for out of the District revenues in whole or in part, and require an itemized report of receipts and expenditures to be transmitted with the annual report of the Commissioners to Congress, together with such recommendations as they might deem proper concerning the necessity for such institutions, together with a plan for their organization and management and extent of appropriation necessary for their maintenance."

In order to carry out these provisions Mr. W. S. Matthews was detailed to visit the various institutions. Mr. Matthews's report, dated November 29, 1886, was mainly historical and statistical. The main feature in it was the conclusion (which the Commissioners adopted as their own, and to which the attention of Congress was called), as follows:

I would call the attention of the Commissioners to the fact that many of these institutions are duplicating each other's work, and, as a necessary consequence, are much more expensively managed than they would be if the efforts in favor of the objects were more concentrated. It is my opinion that some plan of general control and unification should be adopted whereby the large amounts appropriated out of the District revenue for these various charities could be more prudently, more economically, and more satisfactorily applied to the objects for which the money was appropriated.

The District appropriation act of 1887 again called on Congress for information in regard to the District charities, and again the Commis-

sioners made reply that they were unable for lack of time to give to the subject the attention it deserved. They pertinently say:

The range of the enactment could not well be broader. It [the inquiry] takes in all kinds of relief as well as all kinds of discipline, and requires not only a thorough knowledge of the public needs but also exact ascertainment of the methods and scope of the numerous public and private establishments. Different institutions in some cases seem to be doing a like class of work, and it is desirable to know whether it would be advantageous to consolidate or modify the administration of those agencies, and to what extent.

The Commissioners are not prepared to discuss in detail the systems of management now pursued in these institutions. In order to do so with justice it would be necessary to give to them an amount of observation and study utterly impracticable with the limited time and opportunity at their command; and without such observation and study, as they believe, such discussion would not accomplish any very important results. The Commissioners are without available means of providing for the employment of an agent to make such full and complete investigation as the subject demands, and are therefore obliged to be content for the present with the reports with which they have been furnished.

As far as practicable they have visited personally these institutions, and have caused them to be visited by a subordinate District official during occasional opportunities offered by abatements in the requirements of regular duties; still they are satisfied that a comprehensive idea of the value of and necessity for these institutions can only be derived from such constant and intimate observation, as could be given to their workings by an intelligent municipal supervisor, specially charged with that sole duty, and having the right of necessary access to premises and records. They submit a draft of a bill for the appointment of such officer, and prescribing his duties.

The institutions existing in the community, and especially referred to in the act aforesaid, seem to accomplish, to the extent of their capacity, a very valuable work in a manner generally acceptable. In the opinion of the Commissioners, no substantial prejudice would result to any interest involved if the present status were permitted temporarily to continue, with the prospect of such future legislation concerning the institutions and their relations to some general system as may be found advisable upon information received through such a system of inspection as that hereinbefore proposed.

II.

The District of Columbia appropriation bill approved August 6, 1890, created the office of superintendent of charities, and under the provisions of the paragraph Mr. Amos G. Warner was appointed and took the oath of office on the 11th of April, 1891. His first report bears date August 30, 1891, after an acquaintance of but four months with the charities of the District. In this report Mr. Warner calls attention to the fact of his recent coming to Washington, and says that many of the persons who were actively engaged in the charities of the city were away from home, and that it had been for the most part impossible to secure meetings of the boards of directors and other official bodies whose advice and criticism may have aided him in the formulation of definite regulations. The report, however, discusses the whole system of District charities in a comprehensive manner, and is the first real contribution made to the proper organization of the charities of the District.

In his second annual report Superintendent Warner notes the enactment of two laws relating to charities, the first being the act of July 26, 1892, to provide for the care of dependent children and to create a board of children's guardians, and secondly, the act of June 25, 1892, enlarging the laws relating to the prevention of cruelty to children and animals in the District.

In regard to the organization of charities, Superintendent Warner said it was erroneously supposed by some that the superintendent of charities when appointed would act as a centralizing influence, but this work of effectively organizing the public and private charities of the city is beyond the power of any public official. It has been, and no doubt will hereafter be, the duty of the superintendent of charities to offend many people, whereas an agency which has to organize the charities of the city must have the friendship and cooperation of all.

He also notes that the limitation which obliges the President to appoint some one from outside the District as superintendent of charities is a source of irritation to many, and in view of the other limitations imposed by the act creating his office, should possibly be repealed. Further, he says, in view of the rapidity with which his department has recently grown, and of the fact that by many the superintendent of charities was looked upon as a temporary expedient for getting a neglected department into better and more effective shape, it would seem that it would be the wisest course not to tinker with the office, but to abolish it, and to establish something more nearly like that which is to be found in several States, namely, a District board of charities and corrections.[1]

Superintendent Warner accepted a call to the Leland Stanford Junior University, and on April 10, 1893, was succeeded by Col. John Tracey, who continued in office until his death, and was succeeded on July 3, 1897, by Mr. Herbert W. Lewis, the present superintendent of charities, who had been the agent of the Board of Children's Guardians from the beginning of that organization.

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[1] For a criticism of the charities system in the District of Columbia, see American Charities, a Study in Philanthropy and Economics, by Amos G. Warner, Ph. D., New York: Thomas Y. Crowell & Co. 1894.

See also The Care of Dependent, Neglected, and Wayward Children, edited by Anna Garlin Spencer and Charles Wesley Birtwell. Baltimore: The Johns Hopkins Press. 1894.

CHAPTER XVI.

THE BOARD OF CHILDREN'S GUARDIANS.

AS soon as the first superintendent of charities had become familiar with the methods of admitting children to the several institutions provided for the care and education of destitute and abandoned children in Washington, with the character of the work done with the children in such institutions, had observed the want of authority and continuity in such work, and had witnessed the embarrassment of the courts of the District in attempting to deal justly and humanely with children charged with being vagrants or with petty offenses, he became convinced that another agency was required in order that the reception of children to be supported at public cost should have placed about it certain safeguards; that the child-caring and child-saving work of the District should reach those whose condition furnished the strongest appeal for protection, and that those to be supported at public expense should become public wards, for whom somebody should be responsible continuously during their minority.[1]

He therefore prepared the bill which became Senate bill 2034, entitled "A bill to provide for the care of dependent children in the District of Columbia, and to create a board of children's guardians." The bill was referred to the Committee on the District of Columbia, was sent from that committee to the Commissioners, and was by them referred to the superintendent of charities. Superintendent Warner returned the bill to the Commissioners with the following report, which gives his views of the situation at that time and his reasons for urging the creation of a public agency for the care of children:

OFFICE OF THE SUPERINTENDENT OF CHARITIES,
DISTRICT OF COLUMBIA,
Washington, D. C., February 9, 1892.

GENTLEMEN: Herewith I hand you Senate bill 2034, a bill to provide for the care of dependent children in the District of Columbia and to create a board of children's guardians, which you yesterday referred to me, and recommend that its passage at the present session of Congress be strongly urged. My reasons for so recommending are in part as follows:

(1) It is desirable that there should be some more accurate measure of service rendered to the public by the subsidized charitable institutions for children than at

[1] This chapter was prepared by Mr. Herbert W. Lewis, the agent of the Board of Children's Guardians, from its beginning until July 3, 1897, when he was appointed by President McKinley superintendent of charities in the District of Columbia.

present exists, and that the amount of public aid should then in each case bear a fixed proportion to the amount of public service so rendered.

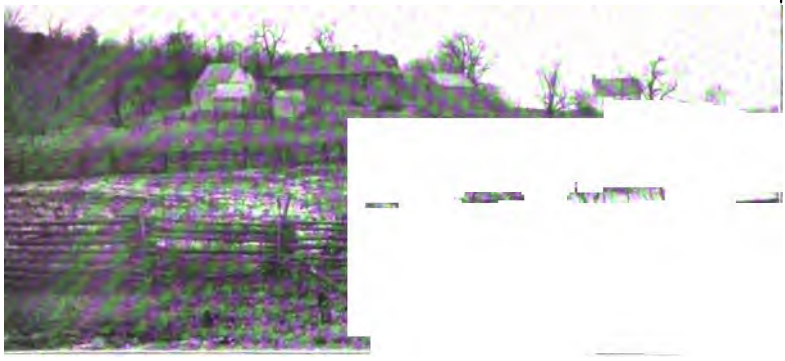
At present each institution admits such children as its managers or officers think proper to receive. Frequently there is no adequate investigation of the case, but the account given of the child and of its destitution by those who desire its admission is accepted without verification. The institutions then base their claims for public aid in a general way on the number of children cared for. There is, however, no definite proportion established between the amount of aid and the number of inmates; nor, while present diverse and irresponsible methods of admission prevail, does it seem desirable that there should be. In my recommendations of estimates last September I kept as close as possible to the precedents of previous years; not because I considered this condition of things satisfactory, but merely to gain time until some proper method of apportioning public aid in proportion to public service could be found. If the present system were to continue there are other institutions for children receiving nothing that would be equitably as much entitled to subsidies as those now receiving them. For instance, the Children's Aid Society receives a large number of destitute and vagrant children directly from the police court and provides for them permanently; or, again, St. Joseph's Male Orphan Asylum has 32 children received from St. Ann's Infant Asylum. The latter institution is supported almost entirely by public money; the former receives nothing at all.

Most of the institutions for children do two classes of work—public work and church and private work. By public work I mean the care of children who are absolutely destitute and properly chargeable to the District, for whom no relative, or friend, or church, or private charitable association is willing to provide, and for whom the District taxpayers can therefore properly be asked to provide, both as a matter of humanity and as a defense against the propagation of pauperism. By church or personal work I mean the care of children for the purpose of securing their education in a particular faith or for motives of personal sympathy. To carry on church or personal work, as such, by means of public money is improper, for it leads to a great increase in the number of dependent children and needlessly burdens the taxpayers.

The board of children's guardians provided for by the inclosed bill will be charged with the duty of investigating thoroughly the case of each dependent child. If a child is found to be a proper subject for public care, it will be placed in an institution or otherwise provided for by the board, and each institution will then be entitled to public money in proportion to the number of such children that it cared for.

(2) It is desirable that careful and thorough experiments should be made in the placing out of children in the community

The subject of placing out was briefly referred to in my annual report. It consists of boarding children in private families instead of placing them in institutions, or in finding for the older children homes where their services are an adequate return for their support. It also involves the adopting of children into private families whenever this can be accomplished with safety. The sooner a dependent child can be grafted into a good home the better it is for the children and the community. Many children on becoming dependent can be placed in homes at once, and the evils of institution life avoided altogether. This is true of all classes of children from nursing infants up. In leaving the institutions, also, great care is needed in selecting homes for the children, and systematic visiting is necessary in order to see that the child is adapted to the home and to make sure that he is not neglected or abused. In Washington this work of placing children when they can not be longer kept in the institutions is done by committees and by matrons or other resident officials, chiefly during the summer months. Such persons are hurried with other duties, and at the best are not experts in the work of placing out. It thus often happens that the time and money spent in reclaiming a waif are eventually wasted and the future



HART FARM SCHOOL—REAR VIEW.

HART FARM SCHOOL—BARNS AND STOCK.

' the child ruined because it is not properly placed and watched over on leaving ıe institution. To secure good results it needs a specialist in this work, who can ;tend to placing and visiting his wards all the year round.

The considerations apply to the placing of children liberated from the reform ıhools as well as to the dependent children who leave the charitable institutions. he Reform School for Boys is overcrowded, and it is possible that, through the ɔard of children's guardians, many now sent to that institution might otherwise ɜ provided for. The recent experience of the Children's Aid Society of Pennsylsnia indicates as much. At any rate, the creation of the board, as herein proɔsed, would give our courts an option in the matter that might be of use should rst experiments have satisfactory results.

The board of guardians would be an efficient agent for the placing out of children ı this community, and this, as indicated, is the second reason for desiring its rompt establishment.

(3) It is desirable that for juvenile delinquents, especially girls, there should be ɔme suitable place of detention other than the station house or jail pending trial, r after trial, and before removal to the reformatory.

Such a place of detention the temporary home, under the management of the oard of guardians, would supply.

(4) It is desirable that it should be possible for the courts to make legal and bindıg commitments to private reformatory institutions, such as the House of Mercy nd the House of the Good Shepherd.

Even after the establishment of the Girl's Reform School, these institutions will be f great use in dealing with selected cases, especially offenders against chastity. At resent the court can send a juvenile offender to such a private institution only as a iatter of compromise, and the commitment is not binding. Under the provisions of ıe inclosed bill such an offender could be committed to the board of guardians until ecoming of age and would be placed by the board in the appropriate institution.

(5) It is desirable that there should be some place where the agent of the Humane ɔciety or any other member of the police force may take a child of any age, color, or ɔndition with the assurance that it will be temporarily and properly cared for, and ıen passed on to the institution or agency best fitted to receive it. Such a place ill be provided in a temporary home managed by the board of guardians.

(6) It is desirable that a systematic record should be kept of all children that come ıder State care, their parentage, the residence of their parents, the causes of dependıcy, or delinquency, their conduct during minority, and the probable influence of ıeir training on their subsequent lives.

Only when such facts have been systematically collected for a series of years can e begin to check the amount of our expenditures by the results known to have been ɔtained; only then can we trace the causes of destitution and set in operation the ·eventive charities that shall free us from an increasing burden of crime and pauɔrism. As matters now stand, children drift into institutions and out again, and ɔ one can speak with sufficient definiteness of the results that come from the work. 'e are doing business without any adequate system of bookkeeping. When a ɔrmer inmate of the Reform School becomes a minister of the gospel, or when nother is about to be hung for murder, the friends of the institution in the one case, nd its critics in the other, point to the facts as proving either that the institution ı a glorious success or an expensive failure. As a matter of fact such isolated cases rove nothing. We must have a large body of information better systematized before 'e can have firm foundations for any conclusions whatever. The board of guardians ·ould be able to collect this fuller and more accurate information.

(7) Finally, the passage of the inclosed bill is desirable, because, while it provides ɔr great improvements, it does not call for increased expenditure. The sums now nnually appropriated for the care of dependent children will be adequate under ıe new arrangement, and it is even more probable that an absolute reduction of ɪpense will be possible.

I shall be glad to answer, as far as possible, any questions which you or the Congressional committees desire to ask regarding the proposed measure, and to describe at length the result of similar experiments in other communities.

Respectfully submitted.

A. G. WARNER,
Superintendent of Charities.

The COMMISSIONERS, DISTRICT OF COLUMBIA.

II.

The bill was subsequently amended by striking out the provision for the lease of buildings and for the employment of agents, and providing that the expense of caring for children under the guardianship of the board should be paid out of appropriations made by Congress for the support of the various institutions in which such dependent children might be placed; and by striking out the provision for the commitment of juvenile delinquents and habitual truants.[1] The amended bill, as reprinted below, was passed by Congress and received final approval July 26, 1892:

[PUBLIC—No. 156.]

AN ACT to provide for the care of dependent children in the District of Columbia and to create a board of children's guardians.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be created, in and for the District of Columbia, a board to be known as the board of children's guardians, composed of nine members, who shall serve without compensation, the said board to be a body politic and corporate and to have the powers and to be constituted in the manner hereinafter provided.

SEC. 2. That the members of the board of children's guardians shall be appointed by the judges of the police court and the judge holding the criminal court of the District of Columbia, met together for that purpose, the assent of a majority of such judges being necessary to appointment in each case: *Provided,* That there shall always be at least three representatives of each sex upon the board. Of the nine members first appointed after the passage of this act, three shall be appointed for one year, three for two years, and three for three years. Thereafter all appointments, except such as shall be made for the remainder of unexpired terms, shall be for the term of three years. The judges of the police court and the judge holding the criminal court, or a majority of them, when met together for that purpose, may remove for cause any member of the board: *Provided,* That such member shall be given an opportunity to be heard in his own defense.

SEC. 3. That the board shall elect from its own members a president, vice-president, and secretary, who shall severally discharge the duties usual to such offices, or such as the by-laws of the board may prescribe. The board shall have the power, subject to the approval of the Commissioners, to employ not more than two agents, at an annual compensation not exceeding two thousand four hundred dollars for the two, and prescribe their duties, and to conclude arrangements with persons or institutions for the care of dependent children at such rates as may be agreed upon.

SEC. 4. That said board shall have the care and supervision of the following classes of children: First. All children committed under section two of the act approved February thirteenth, eighteen hundred and eighty-five, entitled "An act for the protection of children in the District of Columbia, and for other purposes."

[1] See Senate Report 842, Fifty-second Congress, first session.

HART FARM SCHOOL—FARMHOUSE.

HART FARM SCHOOL—LOG HOUSE.

Second. All children who are destitute of suitable homes and adequate means of earning an honest living, all children abandoned by their parents or guardians, all children of habitually drunken or vicious or unfit parents, all children habitually begging on the streets or from door to door, all children kept in vicious or immoral associations, all children known by their language or life to be vicious or incorrigible, whenever such children may be committed to the care of the board by the police court or the criminal court of the District; and power is hereby given to these courts to commit such children when not over sixteen years of age to said board: *Provided*, That the laws regulating the commitment of children to the reform schools of the District shall not be deemed to be repealed in any part by this act. Third. Such children as the board of trustees of the Reform School for Boys or the Reform School for Girls may, in their discretion, commit to the board of children's guardians, and power is hereby given the board of trustees of the said reform schools to commit any inmate of their respective institutions to the said board of guardians, conditionally upon the good behavior of the child so committed. Fourth. Under the rules to be established by the board children may be received and temporarily cared for pending investigation or judgment of the court.

SEC. 5. That the board shall be the legal guardian of all children committed to it by the courts and shall have full power to board them in private families, to board them in institutions willing to receive them, to bind them out or apprentice them, or to give them in adoption to foster parents. Children received from the Reform School shall be placed at work, bound out, or apprenticed, and at any time before attaining majority may be returned to the school from which they came, if in the judgment of the board of guardians such a course is demanded by the interest of the community or the welfare of the child. All children under the guardianship of the board shall be visited not less than once a year by an agent of the board, and as much oftener as the welfare of the child demands. Children received temporarily may not be kept longer than one week, except by order of the police court or the criminal court.

SEC. 6. That the antecedents, character, and condition of life of each child received by the board shall be investigated as fully as possible, and the facts learned entered in permanent records, in which shall also be noted the subsequent history of each child so far as it can be ascertained.

SEC. 7. That the Commissioners of the District shall have authority to prescribe a form of records to be kept by the board of guardians, and the methods to be employed by them in paying bills and auditing accounts; and an annual report of its operations hereunder shall be made by the board to the superintendent of charities. The superintendent of charities shall have full powers of investigation, and report regarding all branches of the work of the board, as well as over all institutions in which children are placed by the board and it shall be his duty to recommend annually the appropriations which in his judgment are necessary to the carrying on of its work.

Approved, July 26, 1892.

On the 16th of September, 1892, the judges designated by this act as the appointing authority met for the consideration of the appointment of members of the Board of Children's Guardians. The result of this meeting was the appointment of Crosby S. Noyes, Joseph J. Darlington, and Miss Harriet B. Loring for a term of three years; of B. Pickman Mann, Simon Wolf, and Mrs. Lucy S. Doolittle for a term of two years, and of Albert A. Wilson, George W. Moore, and Mrs. H. B. F. Macfarland for a term of one year. Subsequently Mr. Wilson and Mr. Moore having declined to serve, William J. Miller and John F. Cook were appointed in their stead.

A preliminary meeting of the board was called by the superintendent of charities, after consultation with members, and assembled at the office of the Humane Society, in the Sun Building, on F street NW. on January 11, 1893. At this meeting a temporary organization was effected and committees appointed. The superintendent of charities addressed the board as follows:

Members of the Board of Children's Guardians, ladies and gentlemen: While the superintendent of charities has no official connection with your board, except the right to inquire regarding the operations and to report upon them, yet as I have been interested in the establishment of the board from the first, I have ventured to take the first step in calling this meeting, and to act as secretary to the judges who make the appointments. After your organization is complete there will, of course, be no further occasion for such intervention on my part, but I shall hope still to work with you in the accomplishment of our common purposes.

Permit me to respectfully submit a memorandum of some of the things it will be desirable for you to consider in perfecting your organization, and arranging to begin active operations. For the convenience of reference they will be more fully enumerated as follows:

(1) Preliminary organization.

(2) Permanent organization and election of officers.

The drafting of by-laws.

(4) Becoming acquainted with all provisions of the organic act creating the board, and with the institutions for children, with which it will be your duty to deal. In this connection it should be said that unless great care is exercised by you, misunderstandings may result at the beginning of your work which will seriously interfere with it. The change from the old system of making specific appropriations to the several institutions, to that of paying specific amounts for the care of children who may be assigned to them, will require great tact, full information, and much patience. When the readjustments are made I hope they will be satisfactory to all concerned, but the transition will require much careful attention on your part to avoid unfortunate misunderstandings.

(5) By committee or otherwise it would seem to be desirable that you should acquaint yourselves with the work of child-caring institutions of similar character in other cities. Especially in Philadelphia, New York, Boston, and Indianapolis there are workers from whom very valuable information can be obtained.

At my office there is much literature bearing upon child-saving work in the American States and cities, which I shall be very glad to place at your disposal. While the experience of other cities will have to be adapted to local conditions, yet it will be a very useful guide in the organization of your work here.

(6) No money will be available for the employment of agents until the passage of the District appropriation bill. That, however, provides that the money for administrative expenses shall be immediately available upon the passage of the bill. You will have probably from the 1st of March until the 1st of July to make investigations of the cases of children preliminary to beginning operations under the new system on the latter date. The time is none too long, and you should know as soon as may be whom you desire to employ as agents, in order that no time may be lost after the money is available.

I would respectfully suggest that an effort be made to secure some person of experience in this particular line of work, and someone who sees it in larger possibilities than the mere drawing of a salary. There are coming to be a large number of persons of education and intelligence who take up the work of charity as a career, and if one of these could be obtained the work of your board would be lightened and the benefits from it would be very much enhanced. It would also seem to be desirable that in case two agents have to be employed, one should be a

woman and one a man. It might be well for the committee collecting information about local conditions, or the work in other cities, to keep in mind and possibly to mention the fact that pay workers will be employed as soon as money is available, and to collect any suggestions they can obtain as to the proper persons to fill the places.

(7) There will be held in Philadelphia on January 25 and 26 a conference on child-saving work, and if any members of the board could attend the conference many useful suggestions could no doubt be obtained.

(8) As to the office for the board itself and for its agents, it might be well to appoint a committee to see if an office can not be obtained in the building occupied by the police court, which has been recently enlarged by the addition of another story.

(9) In considering the bill establishing this board the Senate struck out a proviso that you should be allowed to establish a home for the temporary care of children brought to your attention, and it will therefore be necessary for you to make arrangements for such care with some of the existing institutions. It was suggested while the bill was pending, and has been frequently suggested since, that arrangements for the temporary care of children pending investigation could be best made with the Children's Aid Society, that is doing a work somewhat resembling that which you now undertake. With offices in the police court building and arrangements for the temporary care of children at the home of the Children's Aid Society, arrangements would be very nearly complete for beginning work so soon as an agent should be appointed.

In conclusion allow me to express to you the high hopes which I entertain of the results of your work in benefiting the dependent children of the District. From 500 to 700 of these wards will doubtless come under your care, and it will be your duty to know the best of all that has been learned regarding the care of dependent children and to apply the wisest principles that have been worked out in bringing them to the highest standard of character and industrial efficiency when they shall come of age. You are a part of the District government. It will not be necessary to take anxious thought about ways of obtaining money. You can therefore give a large measure of time and thought to improving the service for the dependent children of the District. With full confidence in your care of these interests, allow me to offer you every assistance which I am able to give in making your work pleasant and helpful.

III.

A second meeting of the board was held on the 3d day of February, 1893, which would not call for special mention in any historical sketch except for the fact that at that time the bill making appropriations for the expenses of the District government, and consequently for the support of the work of this board, was pending in the House of Representatives, and that at this meeting it was deemed advisable that the members of the board should personally urge the appropriation of full $6,000 for the administrative expenses of the board. Thus early did the board recognize the fact, ever since insisted upon, that its mission was the accomplishment of a large amount of real work which must be done by employees who gave their whole time to it, and who must be persons of such character, judgment, and ability as to make their services of great value, and only to be secured by offering such compensation as would be offered for like service in any other great business enterprise.

A third meeting of the board was held at the office of Hon. Simon

Wolf, 926 F street NW., on February 28, 1893, at which a permanent organization was effected by the unanimous election of Hon. Simon Wolf as president, Miss Harriet B. Loring as vice-president and B. Pickman Mann as secretary. A permanent order of business was adopted and steps taken looking to the employment of an agent. The necessity of care in the selection of an agent was emphasized.

At a meeting of the board on March 25, 1893, the secretary reported that, in accordance with authority previously given, the officers of the board had engaged Mr. Herbert W. Lewis, of Minnesota, as agent, his employment to date from the 1st day of May, 1893. It was stated that Mr. Lewis had been employed as placing and supervising agent of the Minnesota State public schools for about five years and was highly recommended. This action of the officers was ratified by vote of board.

By the 1st of May other meetings had been held; the members of the board had made themselves familiar with the provisions of the law under which they were to work; several informal conferences had been held with officers of institutions, and office rooms had been secured and furnished at 512 F street NW. The District appropriation bill had been passed, and by it the direct appropriations which had been made for support of the child-caring institutions the previous year were reduced by 40 per cent, and the sum of the amounts so withheld from them was placed at the disposal of the Board of Childrens' Guardians. Five thousand dollars had been appropriated for administrative purposes and had been made immediately available.

The agent arrived, took charge of the office, and prepared such records and forms as experience had shown to be essential to the proper administration of the affairs of such a body.

On the 17th of May the following letter was addressed to the managing boards of all institutions whose direct appropriations had been reduced:

WASHINGTON, D. C., *May 17, 1893.*

SIRS AND MESDAMES:

The act approved March 3, 1893, making appropriations for District of Columbia expenses for the fiscal year to end June 30, 1894, gives your institution somewhat less for maintenance than was given for the current year; and the institution is remitted, with others, to the act of July 26, 1892 (Public No. 156), "to provide for the care of dependent children in the District of Columbia and to create a Board of Children's Guardians," "for all rights and benefits which" it may have under the provisions of the latter act. Such rights and privileges are deemed to be that your institution may enter into a contract with the Board of Children's Guardians for the care and support of children, the wards of the board, at rates of compensation to be agreed upon. By such means your institution may receive more than the amount by which the direct appropriation has been diminished or it may receive less.

The Board of Children's Guardians has now been organized, has secured an office and appointed an agent, and is ready to consider applications from institutions, with a view to the making of contracts. The board is not charged with any duties or responsibilities in regard to the children now in institutions, these children being already provided for and not having been committed to the board by the methods specified in the act. Should your institution wish to transfer to the board the control and responsibility for the support of any now in your charge, it may

apply to the courts to have the board declared the legal guardian of such children. Should this application receive the approval of the court, due proceedings being had, your authority over and responsibility for the children, and the authority and responsibility of parents and natural guardians would be terminated. The board would then be in a position to board the children "in private families, to board them in institutions willing to receive them, to bind them out or apprentice them, or to give them in adoption to foster parents," or it may leave them where they now are.

The board expects to have committed to it many children now in institutions. For these it must provide places in private homes, institutions, or elsewhere. It wishes to be able to so arrange that none of the institutions whose appropriations have been diminished for the coming year may be injured or inconvenienced by the change, and to that end solicits the good offices and cooperation of all. It can not undertake any charge for the support of children until July 1, 1893, but wishes meanwhile to make all possible preliminary arrangements.

The agent of the board, Mr. Herbert W. Lewis, will call upon you at your institution. We solicit for him a favorable reception, with the view of inception of friendly relations.

By order of the board.

Very respectfully,

B. PICKMAN MANN,
Secretary Board Children's Guardians, District of Columbia.

This letter is important in the history of the board, because it clearly sets forth the policy of the board as then determined upon. In it are recognized the principles set forth by the superintendent of charities in his report, urging the passage of the bill creating the board, and in his subsequent address to the board upon the occasion of its first meeting. In the first he said to the Congress:

It is desirable that there should be some more accurate measure of service rendered to the public by the subsidized institutions for children than now exists, and that the amount of public aid should then in each case bear a fixed proportion to the amount of public service so rendered. * * * The Board of Children's Guardians provided for in the bill will be charged with the duty of investigating thoroughly the case of each dependent child. If a child is found to be a proper subject for public care it will be placed in an institution or otherwise provided for by the board, and each institution will then be entitled to public money in proportion to the number of such children that is cared for.

In his address to the board he said:

The change from the old system of making specific appropriations to the several institutions to that of paying specific amounts for the care of children whom you may assign to them will require great tact, full information, and much patience.

The authorized letter of the secretary of the board to the various boards managing the institutions whose appropriations had been reduced shows with what marked fidelity the ideas of the author of the bill creating the board had been followed in the inception or its work.

IV.

On the 7th of July eight boys, inmates of the National Colored Home, were committed to the guardianship of the board by the police

court, and were speedily provided with homes in the families of suitable persons willing to receive them. On July 20 officers of the Industrial Home School presented ten children for commitment to the guardianship of the board. A hearing was appointed to take place on the 26th, and upon that occasion the whole question of the commitment of children already inmates of the institutions was fully discussed. Mr. John D. McPherson and Mr. Lewis Abraham appeared for the Industrial Home School, Mr. R. Ross Perry and Mr. Lewis represented the Board of Children's Guardians, and Mr. Alexander R. Mullowny the United States. The result was the commitment of the children, who were at once returned to the Industrial Home School, and the institution was thereafter paid from the funds of the Board of Children's Guardians for their maintenance until homes were provided for them by the agent of the board. Other children were afterwards committed from the National Colored Home, who were also returned to the institution and supported at the expense of the board until such time as suitable family homes were found for them.

Thus the commitment of institution children to the guardianship of the board was formally approved by the courts authorized to commit, and thus the institutions which were willing to yield to the provisions of the new law suffered but little inconvenience from it, while the children committed received the benefit of the continuous guardianship of the board and the watchful care of its agent after they were placed out. Other institutions, however, objected that they were unable to receive from the board any considerable part of the amount by which their direct appropriations had been reduced. Another letter was therefore sent out on September 13, by which it was sought to remove some of the difficulties which had attended the commitment of children at first, and additional opportunities were offered for any itstitution which was supporting from its reduced income any children for whose support the District of Columbia was properly chargeable to make known how many such children it desired to have transferred to the guardianship of the board, in order that the board might legally pay the institution for the support of the children until homes for them were secured. To this letter there was no response whatever.

The board transmitted its first report to the superintendent of charities under date of August 22, 1893. Superintendent Warner had resigned the office in the spring of 1893 and was succeeded by Col. John Tracy. This report, which is signed by Hon. Simon Wolf as president and Mr. B: Pickman Mann as secretary, says:

During the present year a fraction of the sum hitherto usually appropriated to charitable institutions in the District of Columbia has been appropriated to the use of the board, while the remainder has been appropriated to the institutions as before. There is now no occasion for the courts to send a single child properly chargeable upon the District of Columbia to any private institution for care and support. The Government has established an agency of its own competent to care for every such child, and as a matter of fact, since the courts have had the authority, they have

HART FARM SCHOOL—INTERIOR OF LOG HOUSE.

HART FARM SCHOOL—OFFICERS AND TEACHERS.

thrown the whole burden of the support of such children upon the board.[1] There is no public reason therefore why the Government should subsidize in future any private charitable institution for the care of children in this District.

It will thus be seen that this public agency was willing to undertake the care of all children who could be shown to be necessarily dependent upon the District and believed itself able to discharge that duty creditably.

By the close of its first fiscal year there had been committed to the guardianship of the board 203 children, of whom 90 had been already removed from the dependent class, having been received as members of their families by persons found upon investigation to be such as could safely be trusted to perform the duties of parents toward the helpless little children placed in their custody.

The supervisory work provided for by the statute had been faithfully performed, and the record being kept regarding each child under guardianship showed that notable success had been attained in securing permanent settlement of children placed out.

The provision of free homes for this large proportion of the children received had resulted in considerable economy of funds appropriated for their support, and the board returned to the Treasury of the United States the sum of $6,054.45 as an unexpended surplus.

During this year the agent of the board was called upon to consider applications on behalf of 290 children whom it was desired should be taken in charge, with the result that 96 of them were presented before the courts of the District for further and more authoritative examination as to their necessities, the remaining 194 being, in the judgment of the agent, in no such condition as demanded the intervention of public authority for their protection or relief.

On October 7, 1893, members Miller and Cook and Mrs. Macfarland were reappointed for the term ending September 16, 1896.

March 2, 1894, the board was notified of the resignation of Mr. Perry, and on May 5 Mr. Orrin B. Hallam took his seat as Mr. Perry's successor.

At the annual election, held on October 9, 1893, the officers for the past year were reelected—Hon. Simon Wolf, president; Miss Harriet B. Loring, vice-president, and B. Pickman Mann, secretary and disbursing officer.

On November 4, 1893, Mr. Wolf resigned the presidency, and Miss Loring became president. During this year the board also began the practice of placing all infants committed to its care in the hands of hired nurses, and of providing skillful medical attendance for all such children. At the close of the year the indications were that this experiment would be highly successful.

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[1] There was no arrangement in force by virtue of which the courts could send children to charitable institutions before the creation of the Board of Children's Guardians. The institutions reserved the right to say which and how many children they should receive, the court could not commit without their consent, and no such commitment had taken place in several years.

During the year ending June 30, 1895, applications were made on behalf of 307 children who were represented as being in need of institution care or permanent public guardianship. Of these the agent of the board, after investigation, recommended the commitment of 89, the remaining 218 being nonresidents, not dependent, or applications on their behalf were withdrawn.

The whole number committed during the year was 110, which, with the 175 remaining under guardianship at the close of the previous year, made a total to be accounted for of 285.

Of these there were in institutions		45
In family homes where board was paid		58
Total on expense for maintenance		103
In family homes on indenture, on trial, and at work for wages	143	
In hospital	1	
Unsettled but self-supporting	8	
Total self-supporting		152
Passed from control of the board		30
Total		285

For this year the appropriation of the board was reduced from $24,200, for the year before, to $17,000, to which was subsequently added a deficiency appropriation of $3,000. It was found impossible to conduct its affairs for the amount appropriated, and the year was closed with a deficit of $1,699.28, which amount was due the Pennsylvania Training School for Feeble-minded Children, for the care and attempted training of defectives sent to the institution, principally by the Secretary of the Interior, before the creation of the board, but for whose support the board became chargeable under the appropriation act of 1890.

The watchful care of the board had been extended to all its placed-out children, with the result that of the 201 children residing in family homes, 133 were known to be doing well, while regarding only 12 had bad reports been made by the visiting agent.

The per capita expense of the children for whose support the board paid during the year was $104.23, as against $124.10 for the year before, while the administrative expenses divided among those residing in family homes, both paid and free, were $22.87, as against $58.80 for the year 1894.

For the better support of its administrative work for the ensuing year the board made an urgent appeal.

September 21, 1894, Messrs. Mann and Wolf and Mrs. Doolittle were reappointed for the term ending September 20, 1897.

October 6, 1894, Miss Loring notified the board of her resignation, and April 6, 1895, Miss Katherine Trescott was appointed as Miss Loring's successor.

At the annual election, October 6, 1894, Hon. Simon Wolf was again elected president; Mrs. Mary L. D. Macfarland, vice president, and B. Pickman Mann, secretary and disbursing officer.

For the fiscal year 1896 there was a sharp increase over 1895 in the number of applications for public care of children, the number being for this year 371. Of these, 71 were recommended to the courts for commitment and 300 were turned away as having no sufficient claim upon the bounty of the people of the District. It has always been a rule of the board that whenever application for care of a child under the board is not thought to merit favorable recommendation to the court, the person making the application shall be informed of the reasons of the agent for refusing to make such recommendation, and that it is the business of the court to entertain and hear a petition for the commitment of a child, no matter by whom presented; so that refusal of the agent to promote commitment could never prevent the proper consideration of a worthy case by the court. It has been found that in at most three or four isolated instances, children in whose cases the agent of the board refused to recommend commitment, favorable action has been taken by the court upon a petition filed by some one else; while on the other hand in almost every case the recommendations of the agent regarding commitments to the board received the approval of the court, only one failure of such approval having occurred during the year 1896.

The whole number of children committed during this year was 93. Examination of the table of causes for commitments shows that 33 of this number were rescued from vicious and immoral associations, or were taken from drunken and unfit parents, or were committed for vagrancy and petty offenses. These it is believed could not have been dealt with in any helpful way without the exercise of authority.

At the close of the year the number of children under guardianship was 312, of whom 198 were no longer dependent upon charity for their daily bread, having been absorbed into the population of the District and surrounding States and thus restored to their normal social status. For 109 the board was still procuring maintenance at public cost, while 4 were maintained in institutions without cost to the board.

V.

The appeal for additional funds for administrative expenses having failed to secure the much-needed increase, the board was unable to do the work among its placed-out wards required by the statute, and the report shows that 56 such children had not been visited during the year as required. The condition and conduct of the placed-out children seems however to have remained excellent, as shown by the following summary, which includes all those residing in family homes, both paid and free.

Doing well	132
Doing fairly	62
Bad report	12
Not visited	56
Total	262

The boarding out of infants continued to be an extraordinarily successful undertaking, the ratio of deaths being less than half that usually encountered in foundling asylums.

Another branch of work which assumed considerable importance during this year was the temporary care of children for not longer than seven days without authority of a committing magistrate, and for any length of time by such authority. Seventy children were under such temporary care during the year, and were disposed of as follows:

Finally committed to the board	19
Restored to parents	29
Discharged	4
Absconded	7
Died	6
Sent to sanitary officer	1
Delivered to Humane Society	1
Still under temporary care	3
Total	70

The cost of the work per child was again reduced. The appropriation for the year was $20,000, to which was added a deficiency appropriation of $3,801.36. A balance of $266.41 reverted to the United States Treasury.

September 20, 1895, Mr. Hallam and Miss Trescott were reappointed, and Mr. Theodore W. Noyes was appointed for the term ending September 16, 1898.

January 28, 1896, Mr. Noyes resigned his membership and February 28, 1896, Mr. William Redin Woodward was appointed to fill the vacancy.

At the annual election October 5 the officers then holding were reelected.

During the year 1897 the work of the board followed the plans and worked in obedience to the principles which had governed its operation for previous years, with the exception that, for lack of facilities for doing the necessary work among its placed-out children, the transfer of its wards from institutions and boarding homes to free family homes was suspended, the children accumulated in the institutions where their board must be paid, and the expense of sustaining the whole undertaking was considerably increased.

There was another sharp increase in the number of children on whose behalf charitable care was sought, and about the same proportion were found to have no real claim upon the charitable resources of the District. The whole number reported was 454, and the number presented

to the courts by the agent of the board for commitment was 97. In 96 of these cases the children were brought into court, with the result that 93 of them were committed or placed under temporary care.

Looking again at the causes of commitment, it is found that 44 children were rescued from vicious and immoral associations or were taken from drunken and unfit parents.

Could there be a more striking illustration of the necessity for the establishment of some agency in such a city as Washington through whose efforts children might be rescued from conditions which would if permitted to continue doom those children to lives of pauperism, crime, and degradation?

Eighty-eight new wards were received during the year, and the total number to be accounted for was 401. Of these, 209 were located in free family homes, 7 were in free institutions, and 15 were self-supporting but not settled, making a total of 240, for whom the only expenditures were for the salary and expenses of the agent who did what he could toward supervising them and guarding their interests.

One hundred and forty were still maintained at the expense of the appropriation.

The number of feeble-minded children under care had been materially augmented, and the maximum rate paid for their maintenance had been reduced from $250 to $225 per year per child.

The boarding out of infants continued a most satisfactory way of providing for them, and through the means employed many lives were saved.

Ninety-two were under temporary care, of whom 38 were subsequently made permanent wards. Twenty-two were placed under care by the courts for fixed periods, averaging three months, and were afterwards restored to their parents, the conditions rendering public care of the children necessary having been removed.

The visitation and proper supervision of the homes in which children had been placed and the placing of others were greatly retarded, and much of what should have been done was not done because of an arbitrary division of the appropriation, which prohibited the use of more than $4,000 for all office and sundry expenses, for the salaries and traveling expenses of agents, and for the transportation of children. Still, the showing is good, and the present agent of the board says that but few cases of dissatisfaction and bad adjustment are found as he goes about among the placed-out children.

The office of the board has been furnished and equipped with a special end in view—that is, the collection, arrangement, and preservation of every scrap of available information concerning the children dealt with—and the family and individual history of every one can be turned to in a moment. Histories are added to from time to time. Incidents likely to affect the welfare of any child are recorded as they occur, and the result is what the agent of the board believes to be the most complete set of records of its kind in existence.

On October 8, 1896, Messrs. Miller and Cook and Mrs. Macfarland were reappointed members of the board for the term ending September 16, 1899.

At the annual election, October 31, 1896, President Wolf declined to accept reelection and Mr. William Redin Woodward was elected president. Mrs. Lucy S. Doolittle was elected vice-president, B. Pickman Mann secretary, and Samuel S. Parkman disbursing officer.

On May 12, 1897, Mr. Wolf notified the board of his resignation as a member. On June 2 Rev. Louis Stern was appointed to fill the vacancy.

At the close of the year Mr. Lewis resigned the office of agent of the board and Mr. Samuel S. Parkman was employed in his stead. Mr. John W. Douglas, formerly a teacher and assistant superintendent at the Industrial Home School, was employed as chief clerk.

Summary of work done, by years.

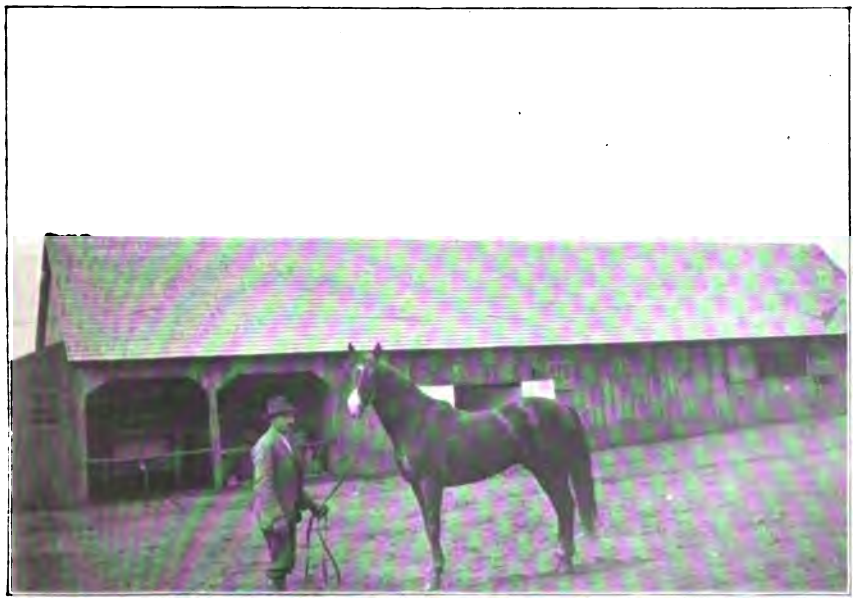
	1894.	1895.	1896.	1897.	Total.
Applications on behalf of children to be taken	290	307	371	454	1,422
Number of above recommended for commitment	96	89	71	97	353
Number committed, recommendations from all sources	203	110	93	88	494
Number self-supporting at close of each year	90	143	203	233	.....
Number on expense for maintenance at close of each year	85	103	109	140	.....
Number to be supervised in family homes at the close of each year	126	201	262	298	.....
Cost of maintenance for each child supported	$124.10	$118.66	$113.15	$120.14	.....
Cost of administration based on number to be supervised	$58.80	$22.87	$16.99	$14.29	.....
Cost per child, based on total expense and total number of wards	$107.72	$73.65	$62.55	$56.13	.....

VI.

In common with every other great city, Washington has its problems yet unsolved. The duties of its individual citizens to the whole body of the people and the duties of the whole body of the people to individual citizens have never been completely defined, enumerated, or acknowledged. One set of reciprocal duties has, however, been recognized, and the discharge of them has been entered upon with general heartiness; for in the matter of agencies for the rescue and protection of children the attempt has been made to so provide that no child need long remain in any such condition as involves his exposure to hurtful poverty or moral depravity. The municipality, acting through its legislative agencies, has recognized its duty in this regard and has established certain public agencies for the doing of the needful work, and individual citizens have recognized their duty by establishing other agencies and contributing to their support.

The provision has nevertheless been incomplete, for it has been found that there was no place where colored children over 10 years of age could be sent to be housed, clothed, fed, instructed, and prepared for return to the general body of useful people, from whom they had become

HART FARM SCHOOL—POTOMAC INLET.



HART FARM SCHOOL—KENTUCKY THOROUGHBRED "PHALLAS."

separated by reason of poverty, orphanage, or want of salutary home restraint.

The Board of Children's Guardians, to whom the guardianship of such children was commonly given, found itself unprepared to deal with them, because it had no place under its own control where they could be kept while the work was being done for and with them which was necessary in order to fit them for reception by families. Under these circumstances the board placed out many such children without previous training, and did as well by them and by the persons who took them as was possible.

Special difficulties were encountered with regard to securing educational advantages for such children after they were placed, the public schools in much of the territory open to them being commonly denounced, by those in position to know the facts in that regard, as being worse than useless; and, on the whole, the undertaking with this special class could not be said to be more than fairly successful. The board became, therefore, more and more reluctant to accept the guardianship of such children, especially since its funds for the employment of agents who might supervise children placed in families became more and more inadequate to the demands made upon them.

Matters drifted along in this way and settled back into much the same condition as prevailed before the board was created, children being not infrequently sent to prison or to reformatories when the only thing they needed was a chance and proper direction to enter upon orderly and useful lives.

A farm school for the training of colored boys from Washington has been the thing hoped and striven for for many years by many earnest friends of the colored race.

The following announcement, which appeared in the Washington Post on November 10, 1897, gave the public assurance that a way had been provided for putting the experiment to a fair test:

A problem which has perplexed the Board of Children's Guardians, the care of colored boys committed to its care, has at last been solved. The plan proposed, it is believed, is what has long been needed, and what will prove of great benefit to the colored race in the District. In the near future all the destitute little ones turned over to the board will find an ideal home on a farm down the Potomac, where they will be taught to become useful, industrious men.

At present there is no institution in the District where colored boys can be provided for. The asylum for destitute colored women and children, on Eighth street extended, is the nearest approach to a home for boys, but the management excludes all those over ten years of age. The plan of the Board of Children's Guardians, of placing the boys in homes in States adjoining the District, has proven a failure on account of the utter lack of training for those so provided for.

For two years the board has been considering plans for the proper care of colored boys. In his last report the idea of a farm was suggested by President William Redin Woodward. Then the question arose as to where the money for such a place was to come from. Just at that time William H. H. Hart, a colored man, who until recently was employed in the Congressional Library, came forward with a proposition, which was at once favored by the board. Mr. Hart offered to the board the use

of a 300-acre farm which he owns, adjoining Fort Washington. While the title was to remain in him, the farm was placed at the board's disposal, rent free.

Superintendent of Charities Lewis and President Woodward went down the river, and, after a thorough inspection of the farm, made a satisfactory arrangement with the owner. On the farm there are 20 houses, several cows, pigs, poultry, and an abundance of farming and timber land. It is in every way suited to the purpose to which it will soon be put. While the plans of the board are yet incomplete, it has been decided to have on the farm a practical farmer, a wheelwright, a blacksmith, and school-teachers to look after the training of the boys.

Mr. Hart will live on the place, and will take a deep interest in the experiment which his liberality has made possible. The farm has an assessed value of $15,000, and was bought by Mr. Hart out of his savings of many years. The details of the plans for the farm are now being worked out by Superintendent Lewis and President Woodward.

Certainly this is a fortunate opening. The plans put into operation are such as the Board of Children's Guardians is authorized to adopt, and provide that boys shall be selected by the board upon consideration of their history, conduct, and needs, to be placed under the control of Professor Hart, to be housed, clothed, fed, disciplined, taught, and made useful under the supervision and to the satisfaction of the board. The rates to be paid for this service are less than the annual per capita cost of boys at the Reform School of the District of Columbia, and less than the average per capita cost of inmates in the whole group of institutions of a reformatory character in the District of Columbia.

This is to be a place of labor, restraint, and discipline; a place in which a definite and special effort, earnest and long continued, is to be made to inculcate and stimulate those ideas of personal honor, industry, self-control, and right of property to which these boys are total strangers. For their physical comfort adequate provision has been made, and the boys already on the farm are thoroughly happy and contented.

It is believed that Professor Hart is specially well adapted to secure and maintain such control over the boys placed in his charge as will be for their good. As soon as the number of boys is sufficient to justify such a move, a graduate of the Hampton Institute or the Tuskegee Normal and Industrial Institute will be engaged as a master under Professor Hart.

The affairs of the farm are to be administered without rigor and without sentimentality, and it is confidently expected that it will enable the public authorities to place under proper and salutary surroundings hundreds of boys now growing up in this community under circumstances which can not fail to add them to the pauper and criminal portion of the population if permitted to continue.

Should experience justify the expectation of the present promoters of this plan, the Congress will be asked to secure to the proper authority the title to the property, and to provide such additional substantial and inexpensive buildings and appliances as will make possible the enlarged usefulness of the school.

INDEX.

Abbott, Dr. A. P., 64.
Abbott's Medical Directory of the District of Columbia, 64.
Abraham, Lewis, 194.
Acker, Dr. G. N., 83, 90.
Adams, Dr. A. C., 86.
Adams, Dr. Samuel S., 83, 90.
Addison, Mrs. Murray. 100, 132.
A Grandfather's Legacy, by W. W. Corcoran, 148.
Aged Women's Home, sketch of, 150.
Alabama, insane in, 12.
Aldrich, Mrs. Jessie, 165.
Alexander, Mrs. Charles, 90.
Alexandria, yellow fever in, in 1798, 1, 32.
Alienist and Neurologist, 14.
Allen, Rev. William, 144.
Alley, Miss E., 138.
Allison, Senator William B., 66.
Allyn, T. M., 27.
American Charities, by Amos G. Warner, 184.
American Journal of Medical Sciences, 84.
American Medical Association, 20.
American Public Health Association, 20.
American Register, Paris, contains list of subscribers to Garfield Memorial Hospital, 60.
Ames, Mrs. J. G., 138.
Andrews, Mrs., 108.
Andrews, E. F., 114.
Andrews, William T., 27.
Annapolis, children of, contribute to Children's Hospital, 89.
Appich, Jacob J., 134, 135.
Appleby, Dr. J. F., 124.
Appropriations for emancipation of slaves, 61.
Architect of the Capitol, 156.
Arison, John R., 103.
Armes, Mrs., 133.
Arminius Lodge, No. 25, F. A. A. M., 135, 136.
Armory Square, 32.
Army Medical Museum, 36.
Army of the Tennessee, 63.
Arthur, President Chester A., 92.
Ascension Church, 32, 33.
Ashford, Dr. Francis A., 46, 47, 83, 85, 90; seeks to change management of Almshouse Hospital, 45; sketch of, 52.
Associated Charities, 92, 137, 150, 173; sketch of, 174, 175.
Association of Medical Superintendents of American Institutions for the Insane, propositions of, 15.
Association for Works of Mercy, sketch of, 143.
Audenried, Gen. Joseph C., 97.
Audenried, Mrs. Mary J., 95, 97.
Augur Hospital, Alexandria, 34.
Atkins, A. B., 122.
Attorney-General, the, 163; refuses to approve the Columbia Hospital land purchase, 77.
Atwater, Mrs. R. H., 133.
Babson, Mrs. J. W., 173, 176.
Babcock, Gen. Orville E., 77.
Baden, Grand Duke and Grand Duchess of, 60.
Bailey, Charles B., 70, 73, 111.
Bailey, Marcellus, 51.
Baird & Co., M., 27.
Baker, Rev. Dr., 53.
Baker, Henry M., 70.
Baker, George E., 126.
Baker, Mrs. George E., 127.
Baker, John A., 47, 48, 53, 173
Baker, Mrs. L. Y., 140.
Baldwin, Mrs. C. W., 149.
Baldwin, W. H., 91.
Ballantyne, Miss M., 138.
Ballantyne, William, 152.
Baltimore and Potomac Railroad station proposed for hospital, 46; mite box at, 55.
Baltimore, insane asylum in, 8.
Baltimore as a tobacco market, 144.
Bancroft, Dr., superintendent New Hampshire State asylum for insane, 19.

Bangor, Me., Freedmen's Aid Association of, 129.
Bank of Columbia, 144.
Bank of the Metropolis, 145.
Bank of the United States, 144, 145.
Baptist Church Hospital, Alexandria, 33.
Barber, Miss Lorena, 73.
Baring Bros. & Co., 145.
Barker, Captain, 63.
Barker, Dr. E. M., 43, 44.
Barker, Dr. H. H., writes an open letter to Dr. Busey relative to Central Dispensary and Emergency Hospital, 51, 90, 91, 92, 94.
Barker, J. W., 91.
Barlow, Joel, 32, 35.
Barnard, Job, 70, 73.
Barnes, Dr. Joseph K., U. S. A., 75, 76.
Barnes, L., 124.
Baron de Hirsch fund, 92.
Barr, Mrs. H. D., 137.
Barr, James R., 154.
Barr, Dr. R. D., 57.
Barrett, Mrs. Kate Waller, general secretary of the Florence Crittenton missions, 142.
Barrows, Dr. Joseph, 4.
Barry, Dr. R. T., 4.
Barry, Gen. William F. Garrison, R. A. N. U., 38.
Barthel, Mrs. C., 136.
Bartlett, Rev. William Alvin, 53, 54, 79.
Barton, Dr., 83.
Bates, Benjamin E., 27.
Bates, I. L., 86.
Baxter, Mrs. F. T., 130.
Bayne, George, 32.
Bayne, Dr. John W., 44, 51.
Beatrice, Sister, in charge of Providence Hospital, 44.
Behan, George, 97.
Belgium, King and Queen of, 60.
Bell, Prof. Alexander Graham, 53, 57, 163.
Bell, Mrs. Alexander Graham, 54.
Bell, Alonzo, 69.
Bell, Charles J., 98, 152.
Bell, Mrs. E. Snowden, 99.
Bell, Dr. Luther V., 11.
Bell, Dr. Ralph, 85.
Bell, Mrs. Schuyler Johnson, 54.
Bell, Senator, 13.
Bellevue Hospital, 88.
Bellhaven Female Institute, 32.
Belt, Rev. Addison, 144.
Bently, Mrs. A. J., 53.
Benton, Senator Thomas, 13.
Bergland, Mrs. E., 132.
Berret, James G., 145.
Bessler, George J., 135.
Beverly, Mrs., 32.
Biddle, Clement, 27.
Billings, Surg. John S., U. S. A., 52, 53, 55, 57, 58, 85, 104.
Binney, Hon. Horace, 27.
Birch, William Taylor, 148.
Birney, Mrs. A. A., 73.
Birney, William, assistant attorney, District of Columbia, 168.
Bittinger, Mrs. Isabella M., 69, 70.
Blackburn, Senator J. C. S., 80.
Blackford, Mrs. Huldah W., 123, 125.
Blackford, J. S., 122.
Bladensburg as a tobacco market, 144.
Blagden, Thomas, 14; letter of, to Miss Dix, 15, 110.
Blaine, Hon. James G., 53, 60; appeal of, for Garfield Hospital, 47.
Blair, Mrs. Eliza M., 49, 53, 139.
Blair, Mrs. H. J., 53.
Blair, Mrs. Mary E., 53.
Blair, Senator Henry W., 53.
Blake, Dr. James Heighe, 3, 107.
Blockley Hospital, 84.
Bloomingdale Asylum for the Insane, 18.
Blount, Representative James H., 49, 173, 174.
Board of Children's Guardians, 130, 131, 132, 141, 143, 164, 165, 176, 184; work of, 185–202.
Board of health organized, 2; abolished, 168.
Board of public works, 167.
Boardman, William J., 99, 100, 119.
Boardman, Mrs. William J., 100.
Boarman, Dr. C. V., 91, 92.
Boettcher, Mrs. M., 136.
Bohrer, Dr. Benjamin S., 4, 17, sketch of, 17.
Bomford, General, 32, 35.
Borie, Hon. A. E., 27.
Borie, C. & H., 27.
Boston High School, 30.
Botsch, Mrs. Rosa, 134, 136.
Bovee, Dr. J. Wesley, 44, 81, 82, 83
Bowden, Margaret, 102.
Bowen, Sayles J., 126, 154.
Boyd, Dr. T. J., 4.
Bradley, Mrs. George L., 99.
Bradley, Joseph H., jr., 83, 85.
Bradford, Rev. J. H., 151, 170.
Breckinridge, Gen. J. C., 39.
Breckinridge, Mrs. J. C., 107, 109, 133.

Breed, Dr. Daniel, 63, 64, 126.
Breed, Mrs. G., 128.
Breitbarth, George, 135.
Brent, John Carroll, 91, 116.
Brewster, H. A., 156.
Bridge, Mrs. H., 128.
Briel, Michael, 101.
Brigham, Dr. Amariah, 18.
Bright, Miss, 128.
Brisco, Dr. R., 4.
Briscoe, Dr. W. C., 92.
Broadhead, John M., 154.
Brock, Major, superintendent of police, 93; advocates reformatory for women, 162; distributes relief for the poor, 172.
Brockenbrough, Dr. Austin, 91.
Brothers of Nazareth, 121.
Brown, Mrs. Adelaide, 108.
Brown, Dr. A. J., 44.
Brown, Mrs. A. J., 75, 83.
Brown, Mrs. Frederick T., 127.
Brown, Hon. George T., 108, 129.
Brown, Mrs. Henry B., 139.
Brown, James R., 151.
Brown, Mrs. Marshall, 86, 108.
Brown, Rev. Obadiah, 110.
Brown, Mrs. Obadiah, 107.
Bruen, W. L., 143.
Bruen Home, 143.
Bryan, Dr. Joseph H., 60, 154.
Buckley, M. V., 122, 123.
Bulfinch, Architect, 111.
Bulkley, Dr. J. W., 44.
Bullard, Miss Sarah F., 130.
Bumford, Mrs. Colonel, 108.
Burchell, N. W., 156, 160.
Bureau of Refugees and Freedmen, 65.
Burleith Addition to West Washington, 141.
Burnett, Dr. Swan M., 44, 55, 83, 90, 92, 93, 94, 97, 108; performs first surgical operation at Garfield Hospital, 55.
Burns, David, land commissioner District of Columbia, 144.
Burns, H. W., 151.
Burns, J. F., 27.
Burr, D. V., 156.
Burris, Mrs. William, 149.
Busey, Samuel C., M. D., LL. D., president Medical Society of the District of Columbia, 2, 17, 20, 31, 47, 51, 52, 53, 78, 79; starts project for a children's hospital, 83, 85, 90; memoirs and reminiscences of, 7, 46, 49, 52, 84, 90.
Bushnell, Dr. J. H., 64.
Butchers' Association of the District of Columbia, 135, 136.
Caldwell, Dr. Elias B., 2.
Caldwell, Rev. Josiah, D. D., 107.
Caldwell, Mrs. Josiah, 107.
Caldwell, J. E., 27.
Callan, Nicholas, 116.
Callan, Dr. C. V. N., 44, 51.
Campbell, Miss, 111.
Campbell, Miss Charlotte, 140.
Campbell Hospital, 32, 64.
Camp Barker, 63.
Candler, Mrs. Ida C., 53.
Capitol of the United States, hospital in, 32.
Carberry, Thomas, 115, 116.
Carey, Albert, 134.
Carlisle, Mr., 96, 97.
Carlisle, Mrs. Calderon, 148.
Carlisle, Mrs. J. C., 117.
Carlisle, James M., 145.
Carlisle, Mrs. James M., 95, 146, 148.
Carlisle, Mrs. J. S., 117.
Caron, Mrs. Bertha, 136.
Carpenter, John E., vice-president Reform School for Boys, 156, 160.
Cartter, Chief Justice David K., 49, 51, 103.
Carrington, Miss, 111.
Carrington, Mrs. E. C., 117.
Carroll, Daniel, 144.
Carroll, Sarah M., 102.
Carver Hospital, 32.
Caspari's Hotel Hospital, 33.
Castleton's Medical College, 19.
Caswell, George A., commissioner of Washington Asylum, 161.
Catlin, Mrs. B. R., 138.
Catlin, Mary E., 142.
Causins, Dr. N. P., 4.
Cecil, Dr. W. W. L., 55.
Central Committee for the Relief of the Poor, 173, 174.
Central Dispensary and Emergency Hospital, 49, 56; historical sketch of, 90–98, 170; sanitary condition of, 180, 182.
Central Hospital, 4.
Central Union Mission, 153.
Chaipman, N. P., 91.
Chamberlin, Miss G. B., 90.
Chambrun, Mme. de, 99.
Channing, Dr. William E., 11.
Chapman, Mrs. E. M., 101.
Charity in the District of Columbia, misapplication of, 77.
Chalmers, Mrs., 107.

Chapin, Dr. John B., 181.
Charity Ball, 89.
Charlesworth, Dr., 10.
Chase, B. F., 151.
Chester, Cecil, 132.
Chester, Jane, 132.
Chester, Miss Josephine, 138.
Chester, Machlin, 132.
Chickering, Miss F. E., 138.
Children's Aid Society, 186, 191.
Children's Country Home, 101, 106.
Children's Hospital, 16, 45, 49; first suggestions in regard to, interests of Dr. William P. Johnson in, 83; incorporation of, interest of Dr. Hall in, 84; first home of, first board of directors of, 85; board of lady visitors of, reports of President Niles, 86; reorganization of, enlargement of, 87; changes in presidency, trained nursing at, 88; enlarged appropriations for, infants, wards started, 89; officers of, 90; sanitary condition of, 178, 179, 180, 182.
Childs, Mrs. A. F., 69, 70.
Childs, Miss F. G., 133.
Childs, Francis E., 139.
Childs, George W., 27.
Childs, Mrs. George W., 133.
Childs, Jane L., 133.
Childs, Thomas S., 133.
Childs, Mrs. T. S., 133.
Cholera, deaths from, in 1832, 4.
Cholera hospitals in 1832, 4.
Choate, Mrs. Rufus, 72.
Christiani, Mrs. Charles, 140.
Christ Church, 145.
Chubb, Mrs. E. C. Warrington, 120, 143.
Church Orphanage of St. John's Parish, sketch of, 118–121, 178; sanitary condition of, 180, 182.
Church reservation, 4.
Church Mission to Deaf Mutes, 23.
Chute, Mrs., 131.
Circle General Hospital, 33.
Cissel, David T., 148.
City Hall General Hospital, 33.
Claflin, James, Treasurer of the United States, 60.
Claggett, William H., 104.
Clagett, Mrs., 108.
Claghorn, James L., 27.
Clara, Sister (Nora Maloney), 125.
Claremont Hospital, 33.
Clark, Mr., 53.
Clark, Mrs., 54.
Clark, Clarence H., 27.
Clark, Edward, Architect of the Capitol, 156.
Clark, Richard H., 116.
Clay, Col. Cecil, president Reform School for Boys, 160.
Clayton, William McKendree, 148.
Cleveland Medical College, 64.
Cleveland, Mrs. Grover, unveils portrait of Mrs. Madison, 114.
Clements, Alexander, 4.
Clements, W. D., 85.
Clephane, Lewis, 69, 70.
Clephane, Mrs. Lewis, 72.
Clift, Mrs. Walter L., 139.
Cliffburn Hospital, 33.
Clover, Beatrice, 131.
Clover, Dora, 131.
Clover, Mrs., 131.
Cogswell, Alice, first pupil of Dr. Gallaudet, 29.
Cohen, Robert, 148.
Coleman, Miss Sarah, 54, 86, 146, 148.
Colignon, Joseph, 136.
Collins, Dr. Charles R., 108.
Collonization of freedmen, 61.
Colored children, needs of, in Washington, 201.
Colored Widow's Home of St. Matthew's Parish, 150.
Colt, Mrs. Samuel, 27.
Colton, Mrs. Francis, 105.
Columbia Hospital for Women, 49, 52, 89, 90, 92, 171, 178, 182; limitations of, 45; organization of, Dr. J. Harry Thompson's reports on, free beds in, 74; hospital started, first report of, 75; directors of, medical and surgical staff of, supported by the Government, 76; title to real estate vested in the Government, bounty of Congress toward, real-estate transactions of, 77; changes in surgeon in chief, 78; training school for nurses advocated, cost of hospital work at, pay-patient fund of, 79; friction between board of trustees and staff, committee to visit hospitals, 80; changes in administration, 81; pay patient, 82; nurses' training school, 83; sanitary condition of, 180.
Columbia Hospital Dispensary, 83.
Columbia hospital proposed, 3.
Columbia Institution for the Deaf and Dumb, deaf and dumb children brought from New York, interest of Hon. Ames

Columbia Institution for the Deaf and Dumb—Continued.
Kendall, land-grant bill vetoed, investigation of New York cases, 21; incorporation, beginnings of the institution, provisions of the charter, finances, 23; transfer of moneys of the Washington Manual Labor School and Male Orphan Asylum, industrial education at, appropriations for, establishment of the college, 24; change in the presidency, record of graduates, 25; free scholarships, transfer of the blind children, 26; dormitories erected, purchases of lands, 27; normal school, 28; Kendall School, 29; management of the institution, 30.
Columbian College or University, 5, 7, 32, 41; hospital of authorized to occupy insane asylum, 5, 34, 84, 100, 145, 146.
Cole, Hon. Chas. C., 173.
Combe, Mrs., 108.
Commissary Hospital, Alexandria, 34.
Commissioners of the District of Columbia, 122, 123, 160; care for poor, 171; control Washington Asylum Hospital, 73; recommend a board of charities, 178.
Commissioners of the Freedmen's Bureau.
Commissioner of Public Buildings, 7, 42.
Conger, Mrs. Frank B., 105.
Conger, Senator Omar D., 53.
Conger, Mrs. Stella B., 53.
Connecticut retreat for the insane, 23.
Connell, John, sanitary officer, Metropolitan Police, 171.
Conner, Mr., 111.
Convalescent Camp, Alexandria, 34.
Convent of the Sacred Heart, Paris, 61.
Cook, Dr. G. W., 59.
Cook, John F., 130, 173, 180, 200.
Cooke, Hon. Henry D., 22, 75, 76, 145, 156, 157, 159; his relations as treasurer of the Reform School for Boys, 158.
Cooke, Mrs. Henry D., 117, 128, 130.
Cooke & Co., Jay, 26, 27, 118, 156, 157, 158, 159.
Coolidge, Mrs. Richard H., 146, 148.
Coombs, Rev. J. N., 76.
Cooper, Mr., 111.
Copenhaver, Mrs. M. A., 138.
Corcoran Art Gallery, 144, 146.
Corcoran & Riggs, 145.
Corcoran, James, 144.
Corcoran, Louise Morris, 145.
Corcoran, Thomas, sketch of, 144.
Corcoran, jr., Thomas, 144.
Corcoran, William Wilson, furnishes building for national medical college, 5; 26; founds free scholarship for deaf and dumb, 26; 32, 34; trustee of Columbia Hospital, 76; endows bed at Children's Hospital, 86; furnishes building for St. Ann's Infant Asylum, 102; presides at dedication of Hall Memorial Building, Washington Orphan Asylum, 107; president Washington Hospital for Foundlings, 110; gives site for Protestant Orphan Asylum, 111; gift of lands to Washington Orphan Asylum acknowledged, 112; gifts to Washington City Orphan Asylum, 114; gifts to German Orphan Asylum, 134; founds Corcoran Art Gallery and Louise Home, his early education, begins business for himself, his failure in the panic of 1823, pays his creditors in full with interest, manages his father's property, takes charge of the suspended debt of the Bank of the United States, 144; colonel in the District militia, declines command of militia, his marriage, death of his children, establishes brokerage business, removes his family to Washington, firm of Corcoran & Riggs purchase old United States Bank, firm takes loans made by the United States, places United States bonds in Europe with great success, withdraws from banking business, begins the erection of public art gallery, building occupied by the Government for military purposes, its restoration, 145; Corcoran Art Gallery established and incorporated, his friendship with prominent men, visits Europe, gifts to Washington Orphan Asylum and other charitable institutions, gift to William and Mary College, death of Mrs. Eustis, founds the Louise Home in memory of his wife and daughter, welcomed home from his third visit to Europe, gift to Columbian College, his death, 146; gift of Oak Hill Cemetery, 148.
Corey, Dr. W. F., 73.
Cornell, Rev. Mr., 132.
Corson, Miss Ida, 99, 131, 132, 133.
Costello, Theresa A., 102.
Cox, Richard S., his land confiscated for the use of the National Association for the Relief of Destitute Colored Women and Children, 128; pardon of, 129.
Cox, Hon. Walter S., 122, 148, 172.

Coxe, John R., 2.
Coxe, Mrs. R. T., first directress Washington Orphan Asylum, 113.
Coyle, Fitzhugh, 85.
Cragin, Dr. Charles H., 80, 91.
Craig, David P., 151.
Cranch Hospital, 33.
Crandell, Mrs. Germond, 129.
Crew's History of Washington, 16.
Crittenton, C. N., 142.
Crittenton, Florence, 142.
Cruikshank, Colonel, 128.
Crook, Dr. Harrison, 44.
Cullen, establishes insane asylums in Scotland, 18.
Cunningham, Mrs., 132, 133.
Curriden, Samuel W., 55.
Curriden, Samuel W., treasurer Reform School for Boys, 160.
Cushing, Representative Caleb, 9, 11.
Custis, Dr. George W. N., 142.
Custis, Dr. J. B. G., 70.
Cuthbert, Dr. Middleton F., 44, 60.
Cutler, Capt. L. B., 153.
Daily, O. A., 91.
Daingerfield, Mrs. Edward, 34.
Daingerfield Hospital, 34.
Daisy Chain Guild, 89.
Dallas, Vice-President, 13.
Dalzell, Representative John, 70.
Dalzell, Mrs. John, 72, 139.
Darling, Dr. D., 179.
Darlington, Joseph J., 108, 189.
Dartmouth College, 19.
Davidson, Samuel, land commissioner District of Columbia, 144.
Davis, Miss, 90.
Davis, Senator, 13.
Davis, Mrs. A. H., 70.
Davis, Dr. C. A., 73.
Davis, Louis J., 47, 53, 85, 90, 172; suggests memorial hospital to Garfield, 46.
Day, Rosalie, 131.
Day, Sherwood S., 131.
Dayton Soldiers' Home, 151.
Deagle, Matthew, 115.
Deale, Dr. Henry B., 60, 100.
Dean, Mills, 163.
De Grain, Mrs. M., 136.
Delano, Hon. Columbus, Secretary of the Interior, 157.
Delaware, deaf and dumb of, 29.
Denison & Co., 145.
Denison, James, instructor of the deaf, 23.
Dennison, Mrs. William, 92.
Dent, Commissioner, 93.
Dent, Josiah, 47, 53.
Department of State, 48.
Desmares Hospital, 34.
Didden, C. A., 134, 135.
Diet kitchen, the, 101.
Diggs, Mrs. Dudley, 107.
Dingman, Mrs. Harrison, 70.
Dinsmore, A. F., 151.
Dionysia, Sister, 102.
Diplomatic and consular officers of the United States, 48.
Dispensary, first established in 1843, 6.
Dispensary for women and children established in connection with Columbia Hospital, 76.
District assembly, 167.
District Commissioners, 100.
District of Columbia, destitute persons in, in 1875, 167; freedmen in, 65; public charities in, 1.
District Militia, 145.
Dix, Senator, 13.
Dix, Gen. John A., 13.
Dix, Miss Dorothea Lynde, begins her work at the East Cambridge House of Correction, enlists the aid of Dr. Howe and Charles Sumner, horrible condition of the insane in Massachusetts, memorial to Massachusetts legislature, 11; her work in Rhode Island, New Jersey, Pennsylvania, and other States, life of, by Rev. Francis Tiffany, 12; her memorial to Congress, five million acres bill, its passage by Congress, 13; vetoed by President Pierce, establishment of the Government Hospital for the Insane, obtains site from Thomas Blagden, 14; her birth and early life, 13; her death, 12, 146.
Dixon, Miss, 131.
Doctors in Washington, early, 31.
Dodge, William C., 163.
Dole, Mrs. E. G., 130.
Dolph, Miss, 54.
Dolph, Mrs. Joseph N., 53.
Donaldson, Miss M. A., 127.
Doolittle, Mrs. Lucy S., 130, 189, 196, 200.
Doolittle, M. H., 122.
Dorothea, Sister, 143.
Dorsey, Emma E., 139.
Douglas Hospital, 32, 34, 35.
Douglas, John W., 200.
Douglas, Hon. Stephen A., 32, 34.
Dove, Dr. G. M., 117.
Drew, Mr., 94.
Drexel, A. J., 27.

ard, Dr. William B., 78, 83, 85, 90.
ırton Street Church, 32.
ırton Street Church Hospital, 33.
nson, Mr., 94.
ın, W. W., 122.
ıorst, Mrs. W., 136.
p, William L., 148.
Mrs. M. E. M., 140.
William H., 153.
Gen. William McKee, 95.
t, T. J., 92, 94, 95.
l, Andrew B., 148.
Dr. John I., 51.
et Baptist Church Hospital. 32, 33.
n Dispensary, 100.
n Hospital, 4.
, General, 140.
, Senator, 66.
, Mrs. D. B., 53, 54, 140.
, D. L., 158.
, jr., Brevet Brig. Gen. John, 63.
zer Church, 32.
zer Church Hospital, 33.
, Anton, 134.
ole, Miss S. C., superintendent of
es, Freedmen's Hospital, 68.
t House, 49.
gton Hospital, 32, 34.
e Park, bicycle parade at, 99.
Mrs. Maria M., teacher of the blind,

, Mrs. A. M., 130.
nds, Commissioner, 172.
, John Joy, 70, 72, 175.
rds, Brevet Col. and Surg. L. A., 63.

ler, Dr. Thomas, 73.
Dr. Johnson, 51, 78, 85, 87, 90, 91,
180.
R. K., 110.
's Historical Sketches, 3, 107.
t, Mrs. Dawes, 128.
t, Dr. Lewellyn, 51.
t, Mrs. T. D., 128, 129.
Mrs. John, 69.
Dr. William P., 64.
n, Miss Mary H., 72.
cipation in the District of Colum-
61.
, Hon. Matthew G., 43, 91, 152.
, Mrs. M. G., 108.
, Mrs. M. W., 53.
, Mrs. Samuel, 79.
, Mrs. William H , 53.
r Hospital, 34.
ror Augustus, of Germany, 60.
Empress Eugenie, 60.
Endicott, William C., jr., 164.
Endicott, Mrs., 127.
Engineer Commissioner of the District of Columbia, 163.
English Female Seminary, Georgetown, 34.
English, Mrs. Earl, 53, 54.
English, Miss L. S., 34, 54.
Ennis, Gregory, 116.
Epiphany Church, 32.
Epiphany Church Home for Aged Women, 150.
Epiphany Church Hospital, 33.
Ermold, Mrs. Elizabeth, 136.
Ermold, Henry, 136.
Ernst, Miss, 99.
Eruptive Fever General Hospital, 34.
Euphrasia, Sister, 116.
European reformatory institutions for women, 161.
Eustis, Hon. George, 145.
Eustis, Hon. George, jr., 145.
Eustis, Mrs., 146.
Evans, Mrs. A. E., 149.
Evening Star, 46, 132.
Everett, Dr. C. M., 43.
Everett, Edward, 146.
Everett, Mrs. Katharine, 99.
Everett, Percival L., 27.
Ewell, Dr. Thomas, 3.
Executive Mansion, insane at, 171.
Fahenstock, Mr., 75.
Fahenstock, Mrs. H. C., 117.
Fairfax Seminary General Hospital, Alexandria, 34.
Falls, A. J., 139.
Farnham, Mrs. Robert, 117.
Farnsworth, Calvin, 151.
Farnum, John, 27.
Female Boarding School Hospital, Alexandria, 34.
Fendall, Reginald, 47, 53 86. 90, 108, 172.
Feran, Thomas, 116.
Ferree, Newton, 151.
Ferris, Mrs. Cornelia W., 53, 54, 79.
Fessenden, Edson, 26, 27.
Fez, Africa, insane asylum at, 18.
Fillmore, President Millard, 18.
Finley Hospital, 34.
First Baptist Church, 107, 112.
Fisher, George P., 91.
Fisher, Louisa, 102.
Fisher, Thomas J., 105, 152.
Fitch, James E., 77, 152, 160, 163, 173, 174.
Five million acres' bill, 13.

Fleck, Mrs. Elizabeth K., 142.
Flint, Mrs. James M., 125.
Florence Crittenton Homes, 142.
Florence Crittenton Hope and Help Mission, sketch of, 141, 142.
Flower, Representative Roswell P., 70.
Floyd, John B., Secretary of War, 128.
Ford, John T., 36.
Ford's Theater, 36.
Foreign countries represented at Women's Christian Home, 139.
Foreign subscriptions to Garfield Memorial Hospital, 61.
Forwood, Lieut. Col. W. H., 37.
Foster, Charles E., 125.
Foster, Rose A., 133.
Fourth Presbyterian Church Hospital, 32, 33.
Fowle, W. H., 34.
Fowler, Mrs., 108.
Fox, Mrs. G. V., 99.
Fox, Robert C., 85, 90.
Fox, Thomas F., 28.
Fox, Dr. William H., 100.
Francis, Mrs. B. G., 130.
Francis, George, 58.
Frank, J. A., sanitary officer Metropolitan police, 44.
Franklin, Miss C. L., 130.
Freeman, Mrs., 54.
Freeman, Mrs. Delia A., 139.
Freeman, Mrs. F. L., 69.
Freeman, Mrs. Margaret C., 86.
Freedmen's Aid Society of Worcester, Mass., 128.
Freedmen's Bureau, 35, 62, 63, 64, 65, 128, 129, 167.
Freedmen's Hospital, 37; in part an asylum, 45, 49; established, 62, 168, 171; investigation of, 66; one of three admitting colored physicians for medical training, 68; sketch of, 63–68; transferred to the Interior Department, 67.
Freedmen's Hospital, Richmond, Va., 65.
Freedmen's Village, 64.
Frelinghuysen, Hon. Frederick T., Secretary of State, 48.
Frelinghuysen, Mrs., 54.
Frelinghuysen, Miss M. J., 53.
French, Hon. Benjamin B., 22, 23, 26, 103, 154.
French, Daniel C., sculptor, 29.
French, Mrs. S. B., 138.
Frost, Miss, 118.
Fry, Dr. Henry D., 60, 81.
Fuller, Mrs. Melville W., 139.
Fuller, Mrs. Sarah S., 101.
Fulton, Robert, 32, 35.
Gaddis, Miss, 97.
Gales, Joseph, 32, 34.
Gales, Mrs. Joseph, 107.
Gallaudet, Dr. Edward Miner, 22, 131, 133; becomes president of the Columbia Institution, 25; sketch of, 23.
Gallaudet, Mrs. E. M., 132, 133, 138.
Gallaudet, Rev. Thomas Hopkins, 22, 23; statue of, 28.
Gallaudet, Mrs. Thomas Hopkins, 23.
Gallaudet's historical sketch of Columbia Institution, 26.
Galt, M. W., 83, 85, 88, 90, 99, 148.
Galt, Mrs. M. W., 85, 90.
Galt, William M., 86, 95, 97, 111.
Gangewer, A. M., 122.
Gangewer, Mrs. A. M., 127.
Gantt, Dr. Edward, vaccinates persons in the White House, 2.
Garfield, President James A., 42, 60; assassination of, on Hebrew Sabbath, 46, 47; statue of, on west front of Capitol, 46.
Garfield, Mrs. James A., 58.
Garfield Memorial Church, 46.
Garfield Memorial Hospital, 69, 92, 118; inquiry into the management, 58; value of the property, 59; relations of the Government to the Garfield Memorial Hospital, 60; royal subscription, 61; conditions requiring such an establishment, 45; efforts of Dr. Ashford, suggestions of Louis J. Davis and A. S. Solomons, assassination of President Garfield, 46; public meeting called, 47; appeal by Secretary of State, 48; action of the Medical Society, 49; transfer of the Soldiers and Sailors' Orphans Home funds, 50; protest of certain doctors, 51; plan of organization, 52; Ladies' Aid Association, 53; hospital opened, 55; early reports, 56; changes in management, 57.
Garnett, Dr. A. Y. P., 53, 55, 76, 78, 90.
Garnett, Mrs. A. Y. P., 108.
Garnett, Henry Wise, 47.
Geiger, H., 27.
General Hospital, first opened in Washington, 6.
George, C. B., 173.
George Maulsby Memorial Home, the, 131.
Georgetown as a tobacco market, 144.
Georgetown Almshouse, 124, 161.
Georgetown Asylum, 122.

Georgetown College, 52, 91, 92, 97, 100.
Georgetown College Hospital, 34.
Georgetown Hospital, 4.
Georgetown Ladies' Aid Society, 99.
German-American citizens, 133.
German Lutheran Church, Concordia, 133.
German Orphan Asylum, 172, 178, 181; donations for, 134; keeps open house on Sunday, 135; sanitary condition of, 180; sketch of, 133–136; title to lands defective, 133.
Germania Maennerchor, 135, 136.
Gibbons, Mrs. A. H., 127.
Gibson, H. C., 27.
Gibson, Mrs. Randall, 53.
Gideon, Mrs. George S., 108.
Gideon, Jacob, 17.
Giesboro Point General Hospital, 34.
Gilbert, Dr. Charles B., 70.
Gilfillan, Hon. James, Treasurer of the United States, 47, 48.
Gillette, D. D., Rev. A. D., 75, 76, 112.
Gillis, Mrs., 108.
Gilliss, Dr. Thomas H., 2.
Gilman, Z. D., 103.
Gilman, Mrs. Z. D., 108.
Gilmer, Dr. Washington, 64.
Glazebrook, Dr. L. W., 108.
Glennan, Assistant Surg. Patrick, 64.
Glover, Charles C., 89.
Godding, Dr. W. W., 14, 18; appointed Superintendent Government Hospital for the Insane, sketch of, by Dr. Nichols, 19; letter of, relative to foundation of Government Hospital for the Insane, 14.
Godey, L. A., 27.
Goldsborough, Dr. Charles W., 2.
Gonzaga College, 16.
Good Hope Hill, Anacostia, 133.
Gotwald, D. D., Rev. W. H., 151.
Government farm, 154.
Government Hospital for the Insane, 21, 31, 32, 39, 57, 65, 164, 171; beginnings of, 10; work at, Dr. Nichol's report as to, 15; first board of visitors, presidents of, 17; erects ward for Africans, 18; regulations of, 16.
Government hospitals and asylums, 31.
Gowie, Miss, 111.
Grace Church, 32.
Grace Church Hospital, Alexandria, 33.
Grace Church Hospital, Washington, 33.
Gracie, Rev. Father, 144.
Graff, Charles, 133, 134.
Grand Army of the Republic, 151.
Grant, President Ulysses S., 111.
Grant, Mrs. U. S., 117.
Gray, Mrs. Frederick, 73.
Gray, Dr. W. M., 43, 44.
Green, Mrs. Edwin, 108.
Gresham, Hon. Walter Q., Secretary of State, 68.
Grimes, Senator J. W., 63.
Grimes, Mrs. E. S., 127.
Grimke, Rev. F. L., 130.
Groot, Dr. Simon I., 70.
Grosvenor House Hospital, 34.
Guardian Society, The, 154.
Gunnell, Francis M., U. S. N., 119.
Gunning, Amos J., 151.
Gunther, of Chicago, 54.
Gurley, D. D., Rev. D. P., 17, 76.
Gurley, Dr. Phineas, D., 110, 112, 113.
Gurley, William B., 98, 125.
Gurley, Mrs. William B., 140.
Guynn, Lucy, 102.
Haas, Dr. J. Carleton, 100.
Hackett, Frank W., 119.
Hagner, Hon. Alexander B., 119.
Hagner, Mrs. Alexander B., 132, 148.
Hagner, Dr. Charles E., 108.
Hagner, Dr. Daniel R., 43, 90.
Haiti, colonization in, 61.
Halifax, insane in, 12.
Hall, D. D., Rev. C. H., 75, 76.
Hall, David A., 22.
Hall, Mrs. David A., 117.
Hall, Mrs. George A., 137.
Hall, H. A., 139.
Hall, Dr. James Crowdhill, 2, 83, 84, 85, 90, 103, 107, 110, 145; makes Washington City Orphan Asylum and the Children's Hospital residuary legatees, 113.
Hall memorial building, 107, 114.
Hallam, Orrin B., 195, 198.
Hallowell, B., Alexandria, 34.
Hallowell, James S., Alexandria, 34.
Hallowell, William, Alexandria, 35.
Hamilton, Dr. Charles B., 2.
Hamilton, Dr. J. B., 96.
Hamlin, Mrs., 133.
Hampton Institute, 202.
Hampton Soldiers' Home, 151.
Hannegan, Senator, 13.
Hanson, Olof, 28.
Harewood Hospital, 32, 34.
Harkness, John C., 85, 110, 112; his historical sketch of Washington Orphan Asylum, 107.
Harkness, Mrs. John C., 83, 108.

Harlan, Mrs. James, 117.
Harlan, Hon. John M., president of Garfield Memorial Hospital, 58, 131.
Harlan, Mrs. John M., 139.
Harlan, Hon. William, Secretary of the Interior, 112.
Harper, Mrs. E. J., 149.
Harries, Gen. George H., 176.
Harris, Dr. J. D., 67.
Harrison, President Benjamin, 53.
Harrison, Mrs. Benjamin, 53.
Harrison, Mrs. C. S., 53.
Harrison, Dr. George Byrd, 96, 97, 108.
Harrison, Mrs. George B., 108.
Harrison, Dr. J. Stewart, 51, 134.
Harrison, Mrs. Jane L. Stone, 114.
Harrison, J., jr., 27.
Hart, Mrs. M. C., 129.
Hart, Prof. William H. H., 201.
Hart Farm School, 202.
Hartig, Gustave, 133, 135.
Hartigan, Dr. J. F., 51.
Hartsock, Mrs. S. M., 149.
Harvard Divinity School, 11.
Harvard University, 28.
Harvey, James S., 116.
Hatch, Mrs. H. M., 130.
Haupt, Miss, 140.
Hausmann, Theodore, 151.
Haw mansion, 53.
Hawkes, Dr. W. H., 44, 97.
Hawley, Mrs. Dr., 108.
Hawley, William, 110.
Hawley, Mrs. William, first directress Washington Orphan Asylum, 112.
Hawxhurst, Dr. Howard H., 73.
Hay, Mrs. John, 132.
Hazleton, Mrs. G. C., 140.
Head, Mrs. George M., 108.
Headley, Mrs. S. F., 128.
Heald, Mrs., 132.
Health office created, 168.
Hearst, Mrs. W. R., 99.
Heath, Miss, 14.
Heath, David W., 154.
Heiberger, Dr. Ida, 140.
Helen, Dr. Johnston, 41.
Heminway Gymnasium, Harvard University, 28.
Henderson, Mrs., 108.
Henderson, Dr. Thomas, 84.
Henry Wilson Post, G. A. R., 38.
Hepburn, Miss, 54.
Hepburn, Representative, 54.
Hepburn, Mrs. William P., 53.
Herbert, Lieutenant, 54.
Herron, Mrs. W. W., 140.
Heurich, Christian, 134, 135.
Hickey, William, 115.
Hickling, Dr. D. Percy, 73.
Hickman, Dr. G. W. V., 85.
Hicks, John, 123.
Higinbotham, Peter N., 154.
Hill, D. B., 151.
Hill, Dr. Gardner, 10.
Hill, Mrs. Stephen P., 146, 148.
Hill, Mrs. W. C., 139.
Hill, Charles, sr., 34.
Hill mansion, 75.
Hine, Hon. L. G., 43.
Hislop, Dr. Margaret, 73.
Hitz, John, 122.
Hobbie, Mrs., 33.
Hodge, Mrs. J. L., 100.
Hoeke, W. H., 140.
Holmead estate, 35.
Home for the Aged of the Little Sisters of the Poor, 149, 150, 181; sanitary condition of, 180.
Home for Friendless Colored Girls, 143.
Hood, Dr. James B., 125.
Hood, Mary E., 130, 133.
Hooper, Mrs. A. L., 127, 129.
Hooper, Miss Anna M., 127.
Hopkins, Mrs. Archibald, 100.
Hopkins, Col. Reginald, 176.
Horwitz, Dr. J. P., U. S. N., 75, 76.
Hosmer, Miss Katharine P., 176.
Hospital facilities in Washington in 1861, 74.
Hospital for refugees, 63.
Hough, Miss Frances R., 73.
House of the Good Shepherd in Baltimore, 162, 165.
House of the Good Shepherd in Washington, 143, 165, 187; sketch of, 141.
House of Mercy, 165, 187.
Howard, Dr. Flodoardo, 76, 78.
Howard, Dr. J., 91.
Howard, Miss L., 117.
Howard, Gen. Oliver O., 32, 103, 128, 129.
Howard, Mrs. Oliver O., 63.
Howard, Dr. Robertson, 91, 94.
Howard University, 45, 65, 143.
Howe, Dr. S. G., 11.
Howell, Rev. Mr. and Mrs., 131.
Howells, Mrs. Louisa, 127.
Howland, Miss Emily, 127.
Howland, Miss Phebe Jane, 128.
Hughes, Dr. Thomas, 2.
Humane Society, the, 92, 130.
Hunter, Mrs., 107.

Huntington, Adoniram J., 163.
Huntt, Dr. Henry, 2, 4.
Hurd, Dr. H. M., 181.
Hutchinson, Elias S., 69, 70.
Hutchinson, H. M., 47.
Hutchinson, Mrs. H. M., 105.
Hyde, Anthony, 145.
Hyde, Thomas, 99, 100, 148.
Illinois, insane in, 12.
Illinois State board of health, 68.
Imhof, Fred., 135.
Indiana, insane in, 12.
Industrial Home School, 167, 178, 182, 194, 200; sanitary condition of, 180; sketch of, 122–125.
Influenza of 1789–80, 1.
Ingleside, rented for Washington City Orphan Asylum, 114.
Insane, hospitals for, in various States, 8.
Insane asylum, appropriations for, 5.
Insane asylum, provided for, 9.
Insane asylums in the United States, establishment of, 10.
Insane in the District of Columbia, 8.
Insane patients confined in jails and almshouses, 5
Insane persons, 8.
Insane placed under control of Secretary of Interior, 9.
Interior Department, controls Freedmen's Hospital, 66; Dr. J. Harry Thompson's reports to, 76.
Irish, Mrs. Mary J., 53.
Irwin, Capt. D. A., 37.
Island Hall Hospital, 35.
Jackson, President Andrew, makes an isolating room in the White House and nurses a body servant, 2, 84.
Jackson, Mrs., 99.
Jacobs, Major, 131.
Jail, old, 9.
Janney, Prof. Bernard T., 125, 176.
Janney, Dr. Edward, 70.
Jarsohn, Dr. Philip, 59.
Jarvis, Thomas, 142.
Jefferson, President Thomas, receives vaccine lymph, 2; 144.
Jefferson College, Pennsylvania, 84.
Jefferson Medical College, 20.
Jenkins, Dr. Ralph, 70, 73.
Jenner, Dr., discoverer of vaccine lymph, 2.
Jenner, James C., 154.
Jewell, Mrs. C. B., 138.
Jewish Synagogue Hospital, 35.
Johns Hopkins Hospital, 35.
Johnson, Representative, 9.
Johnson, President Andrew, 128.
Johnson, Miss E. B., 53.
Johnson, Dr. G. W., 97.
Johnson, Dr. H. L. E., 97.
Johnson, Mrs. I. La Rue., 108.
Johnson, Rev. J. T., 35.
Johnson, Dr. Joseph Tabor., 67, 81, 138.
Johnson, Dr. Richmond., 4.
Johnson, Dr. Stuart., 73.
Johnson, Mrs. W. R., 127.
Johnsón, Dr. William P., 5, 43, 76, 83, 84, 85, 90.
Johnson, Dr. William W., 52, 55, 59, 83, 85, 90.
Johnston, James M., 119, 148.
Johnston, Dr. George W., 96.
Johnston, Miss Susie, 140.
Joint Select Committee on the Charities and Reformatory Institutions of the District of Columbia, 44.
Jolliffe, Mrs. John, 128.
Jones, Jacob P., 27.
Jones, Miss Mary Blake, 148.
Jones, Mrs. S. C., 137.
Jones, Dr. S. Preston, 17.
Jones, Mrs. Walter, 107.
Joscelyn, Mrs., 54.
José, Jacob, 133, 134, 135.
Journal of Insanity, 19.
Judiciary Square, 5.
Judiciary Square Hospital, 35.
Kalorama Hospital, 32, 35, 36, 64.
Kauffmann, S. H., 85, 90.
Kauffmann, Mrs. S. H., 90.
Keen, Dr. P. T., 91.
Keene, Mrs. T. P., 138.
Keetch, Mrs. Thomas A. R., 79.
Kellogg, Mr., 111.
Kellogg & Co., 101.
Kelly, Moses, 76.
Kendall, Hon. Amos, 21, 27, 154; sketch of, 22.
Kennedy, Miss Agnes, 140.
Kennedy, James C., 83, 85, 90, 145.
Kennedy, Mrs. John C., 86.
Kennedy, Mrs. M. A. B., 90.
Kennon, Mrs. Beverly, 146, 148, 150.
Kentucky, insane in, 12.
Kerr, Dr. James, 44, 97.
Kettler, Louis, 133, 135.
Kettler, Mrs. R., 136.
Kettler, William, 133, 135.
Keyser, B. U., 92, 93, 94, 95.
Kibbie, Miss, gives land for Washington Home for Incurables, 99, 140.

Kidder, H. P., 27.
Kidwell & Son, 86.
Kimball, Day, 131.
Kimball, Mrs. Marcus, 131.
King, Dr., in charge of Cumberland Valley Hospitals, 66.
King, Dr. A. F. A., 82, 83, 90.
King, Helen W., 133.
King, Dr. William R., 73.
King George of Tonga, 61.
Kingsman, Dr. Richard, 73, 149.
Kirkbride plan of insane asylum, 19.
Kirkley, J. W., 151.
Klakring, Mrs. Emma, 136.
Kleinschmidt, Dr. C. H. A., 20, 45, 78, 91, 92, 180.
Klingle, J. P., 105.
Knapp, Charles, 26, 75, 76.
Knight, Octavius, 139.
Knowles, Letitia K., 142.
Kober, Dr. George M., 91.
Koch, Edward W., 135.
Koch, Werner, 135.
Krogstadt, Dr. Henry, 70, 73.
Ladies' Aid Association of Garfield Hospital, 53.
Ladies' Aid Society of German Orphan Asylum, 134.
LaFetra, Mrs. S. D., 142.
Lamb, Dr. Charles H., 4.
Lambert, T. A., 173.
Lamon, Mrs. W. H., 105.
Lander, Mrs. J. M., 53, 54.
Lane, Senator, of Indiana, 63.
Langdon, Mrs. LeDroit, 138.
Langston, Hon. John M., acting president Howard University, 66.
Larned, James, 110.
Larned, Mrs., 107.
Larner, J. B., 140.
Laurie fund, the, 113.
Laurie, Mrs., mother of Dr. Hall, 107, 108.
Laurie, Rev. Dr., 84, 109, 111.
Lawrence, Caroline M., 139.
Lawson, William, 134.
Lear, Mrs., 107.
Lecky's History of European Morals, 18.
LeDroit Park, 64.
Lee, Blair, 90, 108.
Lee, Dr. William, 96, 97.
Lee, Gen. Robert E., 128.
Lee, Mrs. S. Phillips, 79, 83, 108; first directress Washington Orphan Asylum, 113.
Leech, Dr. D. Olin, 55, 149.
Leighton, Benjamin F., 148.
Leighton, Mrs. C. C., 127.
Leiter, Mrs. Z. T., 89, 132.
Leland Stanford Junior University, 184.
Lemmon, Hanna, wife of Thomas Corcoran, 144.
Lemon, George E., 152.
Lenthal Home for Widows, 150.
Lentz, J. S., & Co., 27.
Leonard, Rev. Dr., bishop of Ohio, 118.
Lewis, Herbert W., 184; superintendent of charities, 184.
Lewis, Herbert W., 185, 194; agent Board of Children's Guardians, 192.
Lewis, Mrs. J. C., 137.
Liberia, colonization in, 61.
Library of Congress, 13.
Liebermann, Dr. C. H., 83, 85, 90.
Lincoln Asylum, England, 10.
Lincoln, Dr. Nathan S., 43, 44, 55, 59, 90, 73, 103, 117.
Lincoln, Fort, 156.
Lincoln Hall meeting to organize Garfield Hospital, 47, 84.
Lincoln Hospital, 35, 66.
Lincoln, President Abraham, 24, 36, 63, 84, 128, 154.
Lincoln, Mrs. Abraham, 129.
Lincoln, Mrs. N. S., 99.
Lindsly, Dr. Harvey, 5.
Linnaean Hill, 104.
Lionel Laboratory and Library, 97.
Lipscomb, Miss S. A., 140.
Little, Mrs. J. O., 139.
Little Sisters of the Poor, 149.
Lloyd, Samuel Jones, 145.
Loeffler, Andrius, 134.
Logan, Mrs. John A., 53, 54.
Loose, Dr. C. R., 44.
Lord Justice Sir Henry Hawkins, 61.
Loring, Dr. F. B., 90.
Loring, Miss Harriet B., 189, 192, 195.
Lothrop, Dr. E. S., 149.
Louise Home, sketch of, 144–148.
Louisiana, insane in, 12.
L'Ouverture Hospital, 33, 35, 64.
Lovejoy, B. G., 53, 55, 57.
Lovejoy, Dr. J. W. H., 89, 90.
Lovejoy, William G., 47.
Lowell, John Amory, 27.
Lowell, W. J., 58.
Lubey, Col. Timothy, 153, 161; advocates reform school for women, 160; recommendations of, as to organization of charities, 177.
Luckett, Belle S., 142.
Luquer, Nicholas, 119.

Lutheran Eye, Ear, and Throat Infirmary, 101.
Lyceum Hospital, Alexandria, 35.
Lydecker, Maj. G. J., 79.
Lyman, Hon. Charles C., 27, 73.
Lyman, Mrs. Theodore, 54.
McAll, Louis, 55.
McArthur, Arthur, 47.
McArdell, Dr. T. E., 49.
McCabe, James E., 151.
McCammon, James K., 133.
McCauley, Edward, 119.
McChesney, J. D., 80.
McClain Asylum, Somerville, Mass., 10.
McCulloch, Mrs., 133.
McDowell, Mrs. W. G., 149.
McGowan, Mrs., 107.
McGuire, Fred B., 83, 85, 87, 90, 108, 110, 172.
McGuire, Mrs. Fred. B., 90.
McGuire, F. C., 152.
McGuire, Dr. James C., 22, 60, 86, 145.
McIlhenny, George A., 97.
McKean, H. P., 27.
McKee, Mrs. David R., 92.
McKee's Compilation, 8.
McKelden, John C., 91.
McKeon, Michael, bequest of, to Home for Incurables, 99.
McKim, Dr. Randolph, 140.
McKim, Dr. Samuel A. H., 44, 51, 78, 154, 180.
McKinley, President William, 185.
McKnew, William H., 142.
McLanahan, George W., 133.
McLanahan, Mrs., 131, 132, 133.
McLaughlin, Dr. Thomas M., 51.
McLean, Mrs. Allen, 148.
McLean, John R., 55.
McMillan, Senator James, 85.
McPherson, John D., 194.
McPherson, Mrs., 108.
McPherson, Miss Mary A., 125.
McVeigh, J. H., 35.
McWilliams, Dr. Alexander, 3, 4.
MacDonald, Dr. T. L., 73.
Macfarland, Henry B. F., 132, 133.
Macfarland, Mrs. Henry B. F., 173, 176, 189, 195, 197, 200.
Macfarland, Mrs. I. F., 133, 140.
Macfarland, Mrs. Noah C., 53.
Mackall, jr., Dr. L., 78, 91.
Mackay-Smith, D. D., Rev. Alexander, 119, 131, 132, 133.
Mackay-Smith, Mrs. Alexander, 133.
Mackay-Smith, Gladys, 132.
Mackay-Smith, Helen, 132.
Mackay-Smith, Virginia, 132.
Mades, Charles, 134, 135.
Madison, President James, 3, 109, 144.
Madison, Mrs. James, 107, 108, 109, 114.
Magruder, Miss A. C., 85, 90.
Magruder, Dr. G. L., 44, 51, 90, 91, 92, 94, 96, 97, 102, 180.
Magruder, Dr. W. B., 4.
Mallan, Dr. T. F., 44.
Maloney, Nora (Sister Clara), 125.
Mann, B. Pickman, secretary Board of Childrens' Guardians, 189, 192, 193, 194, 195, 196, 197, 200.
Mann, Horace, 11.
Mann, Miss Maria, 127.
Mansion House Hospital, 35.
Marble, Mrs. E. M., 72.
Marbury, Dr. Charles C., 44.
Marbury, Dr. William, 43.
Marbury, sr., Mrs. John, 146, 148.
Mariana, Sister, 126.
Marine-Hospital Service, patients of, in Washington, 44.
Marlatt, Mrs. C. L., 140.
Marmion, Dr. W. V., 90.
Martin, Mrs. Thomas H., 70.
Mary, Sister, 143.
Maryland Hospital for the Insane, debt due to, 9.
Maryland, insane in, 12.
Maryland Institution for the Blind, 27.
Maryland patients at Children's Hospital, 87.
Maryland provides for the education of pupils at the Columbia Institution, 25.
Masonic fraternity, 111, 112.
Masonic Temple, meeting for relief of poor at, 172.
Massachusetts Hospital for the Insane, at Taunton, 19.
Matheson, Mrs. F. M., 140.
Matthews, Charles M., 148.
Matthews, Rev. Father, 115.
Matthews, H. S., 148.
Matthews, W. S., report of, as to unsatisfactory condition of charities in the District of Columbia, 182.
Matthews, William, 115.
Mattingly, W. F., 105.
Maulsby, Mrs. Anna M., 131.
Maury, Mrs. J. W., 108.
May, Dr. John Frederick, 2, 4, 55, 57.
Mayor of Georgetown, 155, 167.
Mayor of Washington, 155, 167.
Mear, Dr., 67.

Mechlin, Mrs. Joseph, 107, 109.
Medical and Surgical History of the War of the Rebellion, 36.
Medical Association of the District of Columbia, 16, 84.
Medical Society of the District of Columbia, 2, 8, 49, 84; labors to arrest the spread of smallpox, 2.
Memorial of 85 physicians, 46.
Meriwether, Mrs. M. L., 130.
Merriam, George, 26.
Merrick, Mrs. Richard T., 146, 148.
Merrick, Judge William, 107.
Merrick, Mrs. William M., 108.
Methodist Episcopal Church, 148.
Methodist Episcopal Church Hospital, Alexandria, 33.
Methodist Home of the District of Columbia, 148, 149.
Metzerott, Henrietta C., 133.
Metzerott, William G., 47, 53; gift of, to Garfield Hospital, 55.
Mexican War, 37.
Meyers, Miss A., 90.
Meyers, William F., 136.
Michigan State Public School, 123.
Middleton, D. W., 98, 103.
Middleton, D. W., jr., 91, 92.
Middletown Plate Company, 54.
Miller and Cook, 195.
Miller, Miss, 140.
Miller, Dr. B., 4.
Miller, Mrs. John F., 53.
Miller, Mr. Justice, 53, 130; inaugural address of, 46; sketch of, 57.
Miller Memorial Building, 58.
Miller, Miss Sallie C., 83.
Miller, Dr. T. R., 4.
Miller, Dr. Thomas, 5, 15, 17, 52, 74, 76, 83, 85, 90; sketch of, 16.
Miller, Miss Virginia, 83, 89, 90.
Miller, William J., 189, 200.
Minmack, B. P., 100.
Minnesota State public schools, 192.
Mills, Dr., in charge of St. Louis hospitals, 66.
Mississippi, insane in, 12.
Missouri, insane in, 12.
Mitchell, John T., 77, 152.
Mohun, F. B., 95, 96.
Monroe, Mrs. James, declines position of first directress Washington Orphan Asylum, 109.
Montana, deaf and dumb of, 29.
Moore, George W., 189.
Moore, F. L., 90.
Moore, Mrs. F. L., 79.
Moran, Dr. John F., 81.
More, John Leo a, his Geographical History of Africa, 18.
Morgagni, establishes insane asylums in Italy, 18.
Morgan, Miss Carrie, 140.
Morgan, Dr. Carroll, 51.
Morgan, Dr. E. C., 91, 95, 96.
Morgan, Eugene, 98.
Morgan, Dr. J. Dudley, 20.
Morgan, Dr. James E., 51, 91.
Morgan, Thomas P., 139, 163.
Morgan, Maj. Thomas P., superintendent Metropolitan police, advocates reformatory for women, 161.
Morrill, Senator Justin M., 64.
Morris, Commodore Charles, 145.
Morris, H. G., 27.
Morris, Louise Amory, wife of W. W. Corcoran, 145.
Morrison, James, 145.
Morrison, W. M., 91.
Moses & Son, W. B., 134.
Mount Hope Asylum, Baltimore, 14.
Mount Lincoln, 156.
Mount Pleasant, 99.
Mount Pleasant Hospital, 35.
Muehleisen, Mrs. W., 136.
Mullen, Miss Margaret, 58, 97.
Mulliken, Mrs. N., 108.
Mullowny, Alexander R., 194.
Municipal Lodging House, 153, 172.
Munson, Dr. Reginald, 73.
Murphy, Dr. J. Patrick, surgeon in chief of Columbia Hospital, 51, 79, 80.
Murray, Dr. T. Morris, 96.
Murtagh, W. J., 91.
Mussey, R. D., 139.
Myers, Mrs. Mary H., 131, 133.
Nairn, J. W., 86
National Association for the Relief of Destitute Colored Women and Children, 62, 67, 171, 178, 179, 181, 193, 194; sketch of, 126–130.
National Deaf-Mute College, 24.
National Era Building Hospital, 35.
National Freedmen's Relief Association, 167.
National Homoopathic Hospital, sketch of, 68–73; Ladies' Aid Association of, 69.
National Intelligencer, 3.
National Lutheran Home, 150.
National Medical College, 5, 16.
National Medical Review, 20.
National Red Cross Association, 92.

National Relief Association of New York, 127.
National Soldiers and Sailors' Orphan Home, 51; sketch of, 117; property conveyed to Garfield Memorial Hospital, 118.
Nativity of patients at Providence Hospital, 44.
Naval Hospital, 37, 39, 40.
Naval Observatory, 122.
Naylor, James G., 85, 112.
Neal, Representative, chairman House Committee on the District of Columbia, 49.
Neil, Dr. Charles P., 175, 176.
New Hallowell Hospital, Alexandria, 35.
New Jersey, insane in, 12.
Newman, Dr. H. M., 44, 51.
Newman, Dr. W. G. H., 51, 91, 102.
Newman, Mrs. William G. H., 79.
Newsboys and Children's Aid Society, sketch of, 130–133.
New York Avenue Presbyterian Church, 112.
New York, deaf-mutes from, 23.
New York Institution for the Instruction of the Deaf and Dumb, 23.
New York patients at Children's Hospital, 87.
New York State Asylum for the Insane, 18.
Nichols, Dr. Charles H., selects site for Government hospital for insane, 14, 17; sketch of, 18; his work at Government Hospital for the Insane, 19.
Nichols, Mrs. C. H., 140.
Nicholson, Major, 41.
Nicholson, Mrs. W. L., 129.
Night Lodging House Association, 92.
Niles, Samuel V., president Children's Hospital, 83, 85, 86, 87, 88, 90.
Noble, Miss, 99.
Noland, Dr. William, commissioner of public buildings, 5.
Nordhoff Guild, 72, 73.
Nordhoff, Mrs. Charles, 53, 69, 70.
Norment, Samuel, 57, 89.
North Carolina, insane in, 12.
North Carolina Medical Journal, 2.
Northrup, Nehemiah B., 154.
Nourse, Mrs. Emily L., 125.
Nourse, James B., 125.
Nourse, John R., 154.
Noyes, Crosby S., 133, 160, 189.
Noyes, H. O., 152.
Noyes, Theodore W., 198.
Noyes, Mrs. Thomas C., 174.
Nurses' training school at Columbia Hospital, 83.
Odd Fellows' Hall, 113.
Odd Fellows' Hall Hospital, 35.
Old Capitol Prison Hospital, 35.
Old Hallowell Hospital, Alexandria, 35.
Old jail, 9.
O'Meara, J., 151.
Organization of charities, 177–184.
Orphans' court, 21.
Overend, Gurney & Co., 145.
Owen, Edward, 26.
Page, Dr. Charles G., 5.
Pairo, Mrs. Richard, 140.
Palfrey, John G., 11.
Palmer, Dr. G. S., in charge of Freedmen's Hospital, 66.
Palmer, Miss Sophia S., 57.
Palmer, Dr. W. G., 47, 53, 67; sketch of, 66.
Pansy Magazine, 106.
Pansy societies, 106.
Paret, Bishop William, 79.
Paret, Mrs. William, 79.
Parke, Gen. John G., 86.
Parke, Mrs. John G., 79, 148.
Parker, Col. M. M., 105.
Parker, Maj. Richard C., 37.
Parkman, Miss, 54.
Parkman, Samuel S., agent Board of Children's Guardians, 200.
Parrott's woods, 148.
Parsons, Dr. John, 51.
Parsons, Dr. Mary, 138.
Parsons, Rev. W. E., 173.
Patent Office Hospital, 35.
Pathological Society, 16.
Patterson, Mrs. David T., 117.
Patterson, Dr. G. S., 67.
Payne, James G., 119.
Peabody, Miss Elizabeth, 127, 128.
Peabody, George, 145, 146.
Peixotte, Benjamin F., United States consul at Lyons, France, 60.
Pennsylvania, insane in, 12.
Pennsylvania patients at Children's Hospital, 87.
Perkins, C. Lawrence, 131.
Perry, A. E., 85, 90.
Perry, Mrs. A. E., 83.
Perry, Dr. George N., 142.
Perry, R. Ross, 89, 107, 110, 172, 194, 195.
Peter farm, afterwards Fort Lincoln, selected as site for reform school, 158.
Peter, Robert, land commissioner District of Columbia, 144.

Petty, James T., 142.
Phelps, Mrs. S. Ledyard, 79.
Phemus Club, 132.
Philadelphia Hospital, 97.
Phillips, Mrs. E., 99.
Physicians in Washington, early struggles of, 41.
Pierce, Hon. Edward L., 63.
Pierce Guild, 105.
Pierce, Joshua, 104.
Pierce, President Franklin, vetoes bill for insane, 14.
Pierre, Mrs. John A., 143.
"Pinafore," benefit performance of, 93.
Pinel, Dr. Phillipe, establishes insane asylums in France, 10, 11, 18.
Pitts, Mrs. H., 137.
Plant, George H., 91.
Plummer, Miss N. A., 130.
Poesche, Mrs. Emma, 134, 136.
Police surgeons, care for accidents, 94.
Polk, President James K., his position on land-grant bills, 13.
Polk, Mrs. James K., 13.
Pomeroy, Mrs. M. S., 127, 130.
Pomeroy, Senator S. C., 128.
Pomeroy, Mrs. S. C., 53, 54, 129, 138, 139.
Poorhouse, 2, 74.
Poorhouses in 1838, 8.
Pope, Mrs. A. L., 73.
Pope, Miss G. I., 81.
Pope, Dr. Gustavus W., 69, 70.
Porter, the Misses, 111.
Potter, Mrs., 127.
Powell, E. D., 139.
Powell, Acting Assistant Surgeon William P., 64.
Powers, Representative, report of, 3.
Powers, Thomas H., 27.
Pratt, A. S., 70, 176.
Prentiss, Dr. D. Webster, 90.
Prentiss, Stephen, 154.
President of the levy court, 155, 167.
President of the United States, 61.
Princeton College, 144.
Protestant Church Hospital, Georgetown, 33.
Prostetant Episcopal Theological Seminary Hospital, Alexandria, 34.
Protestant Orphan Asylum, 86.
Protestant Orphan Asylum, Chicago, 68.
Providence Hospital, 16, 49, 52, 57, 74, 92, 171; a pay institution, 46; governed by Sisters of Charity, 45; established by Sisters of Charity from Emmitsburg, Md., 41; preliminary announcement of,
Providence Hospital—Continued. befriended in Congress, appropriations for, 42; new building for, management of, free public wards in, admissions to, how regulated, classification of patients of, medical staff of, 44.
Public hospital, need of, 3.
Purman, Miss, 100.
Purvis, Mrs. A. M., 130.
Purvis, Dr. Charles B., 130; appointed hospital dispensary steward at Freedmen's Hospital, 64; appointed surgeon in chief Freedmen's Hospital, 67.
Queen Victoria, 58.
Quaiffe, Mrs. A. R., 70, 72.
Queen of Spain, 60.
Ramsburgh, Dr. Jesse, 44.
Ramsey, Mrs. Andrew, 107.
Randall, Representative Samuel J., 42.
Randolph, Mrs. Eliza, 127.
Randolph, W. F., 111.
Ratcliff, Daniel, 17.
Rathbone, Miss, 111.
Rawlins, Secretary of War, 66.
Rector, Mary, 142.
Reed, Representative, 9.
Reform School for Boys, 114; sketch of, 154–160, 178, 181; sanitary condition of, 181.
Reform School for Girls, 160–166, 178, 187.
Relief of the poor, first appropriation for, 167.
Relihan, Sister Elizabeth, 103.
Retreat for the Insane, Hartford, Conn., 10.
Reyburn, Dr. Robert, 44, 62, 64, 65, 66, 67, 76, 78, 94, 119.
Reynolds, Mrs. H. S., 83.
Rhode Island, insane in, 12.
Rice, Mrs. L. L., 128.
Richards, A. C., 103, 152.
Richards, Mrs. Z., 137.
Richardson, Dr. Charles W., 44.
Richardson, Mrs. Charles W., 132.
Richardson, George C., 27.
Richmond and Louisville Medical Journal, 79.
Ricketts, Mrs. James B., 53, 54, 86.
Riggs, Miss Alice, 141.
Riggs, Dr. Daniel H., 70.
Riggs, Elisha, 145.
Riggs, E. Francis, 47, 53, 99, 100.
Riggs, Mrs. Fannie, 53.
Riggs, George W., 22, 26, 86, 145.
Riggs, Mrs. George W., 146, 148.
Riggs & Co., 145.

Riggs House Hospital, 33.
Riggs National Bank, 145.
Riley, Dr. John C., 43.
Riley, Dr. Joshua, 4, 76, 91.
Richie, Dr. J. A., 78.
Richie, Dr. Louis W., 45, 51, 80, 81, 173.
Rives, Wright, 103.
Rives, Mrs. Wright, 108.
Roberts, Dr. Grace, 70.
Robertson, T. B., Alexandria, 35.
Robbins, Mrs. N. A., 133, 139.
Robbins, Zenas C., 154.
Robbins, Mrs. Z. C., 90.
Robinson, F. V., 101.
Robinson, Miss Eleanor, 128, 130.
Robinson, Miss Margaret, 127, 129.
Rockhill, Mrs. A. F., 53, 54.
Rodgers, Miss Frederica L., 101.
Rodgers, Dr. John, 2.
Rodgers, Mrs. Admiral John, 138.
Rogers, D. S., 28.
Rogers, Mrs. John, 108.
Rogers, Miss M. L., 90.
Rogier, Charles G., 135.
Ropes, J. S., 27.
Ross, Dr. W. H., 91, 92.
Roy, Miss Kate L., 101.
Ruffin, Dr. Sterling, 100.
Ruppert, C. H. R., 134.
Russia, Grand Duke Constantine of, 60.
Ryan, Catherine, 102.
Ryan, Mrs. Philip J., 140.
Ryland Chapel, 32.
Ryland Chapel Hospital, 33.
St. Aloysius Church, 32.
St. Aloysius Hospital, 36.
St. Ann's Church for Deaf-Mutes, 23.
St. Ann's Infant Asylum, 49, 102, 116, 171, 178, 182, 186; number of inmates of, medical staff of, 103; sanitary condition of, 179, 180.
St. Elizabeth Hospital (*see also* Government Asylum for the Insane), 32, 36.
St. Felicitas Guild, 73.
St. George Society of Washington, 47, 58.
St. John, Ancel, 76.
St. John's, insane in, 12.
St. John's College Hospital, 66.
St. John's Church, 119, 145.
St. Joseph's Male Orphan Asylum, 103, 186; sketch of, 116.
St. Mary's College, 20.
St. Paul's Episcopal Church, Alexandria, 33.
St. Rose Industrial School, 103; sketch of, 125.
St. Vincent's Orphan Asylum, 41, 102, 125, 172; aided by General Government, sketch of, 115.
Sampson, Dr. J. C., 51.
Samson, Rev. G. W., 76, 103.
Sanburn, Dr., of Colorado, 54.
Sanitary officer of the Metropolitan police, 51.
Sarah, Sister, in charge of church orphanage of St. John's parish, 118, 121.
Sargent, Dr. D. A., 28.
Sargent, Nathan, president board of trustees of Reform School, 156, 157.
Sargent, Senator, 66.
Satterlee, D. D., Right Rev. Henry Yates, 119.
Saville, James H., 47, 90.
Saxton, John R., 62.
Schaefer, Mrs. C., 136.
Schaefer, Dr. E. M., 55.
Schneider & Pelz, 96.
Schneider, Dr. A. A., 60.
Schneider, John F., 135.
Schneider, L. H., 53.
Schroth, Charles, 136.
Schubert, B. F., 136.
Scott, Dr. J. Foster, 80, 83.
Scott, General Winfield, 37, 146.
Scudder, Mrs. Nancy B., 71.
Scudder, Mrs. J. W., 130.
Second Presbyterian Church Hospital, Alexandria, 33.
Secretary of the Interior, 23, 26, 117, 155, 156, 157, 159; controls admissions to Freedmen's Hospital, 68.
Secretary of State, 146.
Secretary of the Treasury, 138, 146.
Secretary of War, 127, 146, 163; controls Freedmen's Hospital, 67; provides for poor of Washington and Georgetown, 167.
Sellers & Co., William, 27.
Semken, S., 85.
Semmes, Dr. Edward, 2.
Seufferle, George J., 134, 135.
Sewall, Dr. Thomas, 2, 4, 5.
Seward, Hon. William H., negotiates for building of Washington Orphan Asylum, 112.
Shadd, Mrs. A. P., 130.
Shallenberger, Col. Geo. A., superintendent Reform School for Boys, 160.
Shea, Catherine, 102.
Shellabarger, Miss Anna, 140.
Shellabarger, Samuel S., 163.
Shepard, Judge Seth, 108.

Shepherd, Alexander R., 158.
Shepherd, Arthur, 91.
Sheriff, George L., 103.
Sherman, Miss Ann, 117.
Sherman, William T., 47, 48, 60, 62, 63.
Sherman, Mrs. William T., 79, 117.
Shippen, Rev. Rush R., 79, 80.
Shiras, jr., Mrs. George, 139.
Shrieber, Peter S., 115.
Shuster, William M., 91, 104.
Shuster, jr., William M., 160.
Sibley Memorial Hospital, 100.
Sickel Barracks Hospital, Alexandria, 35.
Sim, Dr. Thomas, 2.
Simms, G. G., 86.
Simpson, Edward F., 152.
Sims, Dr. Thomas, 4.
Sisters of Charity, 7, 51, 74, 126.
Sisters of Charity of Emmitsburg, Md., 41, 43.
Sisters of the Good Shepherd of Baltimore, 141.
Sisters of the Holy Cross, 116.
Sisters of Mercy, 6, 41.
Sisters of St. Margaret, 101.
Skillman, Dr. H. M., 132.
Slaveay in the District of Columbia, 61.
Sleman, W. J. B., 111.
Slough Barracks Hospital, Alexandria, 35.
Smallpox in 1828, 1833, 1846, 2.
Smallwood, Dr. Samuel N., 2.
Smith, Miss, 108.
Smith, Mr., his grounds occupied by Freedmen's Hospital, 64.
Smith, Addison M., 139.
Smith, Admiral, 141.
Smith, Miss Anna E., 141.
Smith, Rev. Charles A., 176.
Smith, Miss E. C., 53, 54.
Smith, F. H., 80, 89.
Smith, F. L., Alexandria, 36.
Smith, Francis H., 139.
Smith, Henry, 109.
Smith, Secretary Hoke, 67, 68.
Smith, Mrs. J. C., 117.
Smith, J. Hubbard, 95.
Smith, Mrs. John C., 137.
Smith, Mrs. Samuel H., 107, 108.
Smith, Mrs. T. C., 149.
Smith, Thomas, 26, 27.
Snell, Mrs. William B., 79.
Snyder, Dr. Arthur A., 100.
Society of Friends Church Hospital, Alexandria, 33.
Soldiers' Home, 37.
Soldiers' Home Temperance Union, 38.
Soldiers' Rest General Hospital, 36.
Soldiers' and Sailors' Orphan Home, 49.
Solomons, A. S., 42, 53, 92, 95, 152; advocates establishment of Garfield Memorial Hospital, 46; proposes resolutions in regard to hospital, 47; sketch of, 92.
Solomons, Miss, 92.
Somerville, James W., 173.
Somerville, Thomas, 43.
Sondheimer, Mrs. L., 136.
Sosithée, Sister, 150.
South Carolina, insane in, 12.
Southworth, Mrs. E. D. E. N., 128.
Sowers, Dr. Z. T., 44, 51, 78, 105.
Sowers, Mrs. Z. T., 108, 148.
Spackman, Mrs. Dr. M. D., 138.
Spain first establishes insane asylums, 18.
Specific payments for specific service, 6.
Speed, Mrs. James, 117.
Spencer, Anna G., 184.
Spencer, Mrs. Sara A., 69, 70.
Spofford, Miss F. P., 54, 176.
Sprague, William, 26.
Sprigg, Dr. W. M., 55.
Springfield Armory, 118.
Stands, Dr. A. R., 133.
Stanley, Brig. Gen. David S., 37.
Stanley, Representative Edward, 6.
Stanton, Hon. Edwin M., Secretary of War, 62, 127; furnishes Columbia Hospital, 75.
Stanton Hospital, 36.
Stanton, Dr. J. O., 51, 78.
Staples, Orren G., 163.
State Department, child born on steps of, 74.
State Department MSS., 2.
States represented at Woman's Christian Home, 139.
Stearns, Dr. S. S., 70.
Steaveley, Dr. Albert L., 60.
Stephens, Miss, 54.
Stephenson, Dr. J. S., 91.
Stern, Rev. Louis, 200.
Sternberg, Surg. Gen. Geo. H., 32, 44, 173.
Stettinius, Joseph S., 103.
Stevens, Dr. Bela N., 17.
Stevens, Mrs. Robert, 69.
Stevens, Hon. Thaddeus, 42.
Stewart's portrait of Mrs. Madison, 114.
Stickney, Mrs. Jeannie K., 139.
Stickney, William, 103.
Stickney, Mrs. William, 83, 137, 138.
Stier, Miss, 111.
Stinemetz, Miss, 108.

Stinemetz, B. H., 91.
Stockbridge, W. S., 124.
Stoddard, Miss Maria, 143.
Stowe, Mrs. Harriet Beecher, 127.
Stone, Dr. D. S., 81, 83.
Stone Hospital, 36.
Stone, I. W., 151.
Stone, Mrs. Margaret, 148.
Stone, Mrs. Robert K., 88, 89, 90.
Stone, William J., 4, 36, 110.
Storum, Miss, 130.
Stoutenburgh, Dr., 83.
Stoutenburgh, Walter H., 73.
Stovell, Dr. M., 64.
Stowell, W. F., 176.
Strang, Henry L., 148.
Street, Dr. D. B., 149.
Street, Mrs. D. B., 148.
Strong, Miss, 108.
Strong, Mrs. Justice, 138.
Stroud, Mrs. M. J., 100.
Sumner, Senator Charles, 62, 63.
Sunderland, D. D., Rev. Byron, 22, 49, 53, 103, 140.
Sunderland, Miss Laura, 137.
Surgeon-General of the Army, 42, 43, 44, 51, 75; admits patients to Providence Hospital, 46.
Sutherland, Dr. Charles, U. S. A., 89.
Swaim, Gen. D. G., 47.
Swan, Miss L. S., 130.
Swartzell, George W. F., 148.
Sweeny, Hugh B., 116.
Swormstedt, Dr. Lyman B., 70, 73.
Sypher, Mrs. J. Hale, 73.
Talty, Mrs. J. E., 149.
Tasker, Mrs. J. C., 149.
Tayloe, Benjamin Ogle, 110.
Tayloe, Mrs. Benjamin Ogle, 108, 146, 148.
Taylor, Mrs. Caroline, 143.
Taylor, Mrs. Charlotte, 117.
Taylor, Mrs. J. Y., 100.
Taylor, Hon. R. W., First Comptroller of the Treasury, 156.
Taylor, Thomas, 122.
Teel, Mrs., 132.
Teller, Mrs., 133.
Temple, Edward, 55, 90, 98, 110.
Temple, Mrs. M. G., 108.
Temple, Miss Mary, 108.
Temporary Home for ex-Union Soldiers and Sailors, 151.
Tennessee, insane in, 12.
"The Care of Dependent and Neglected Children," 184.
"The Debutantes," benefit performance of, 95.
The Lolie Wolcott ward at Home for Incurables, 99.
Thirteenth Street Baptist Church, 32.
Thirteenth Street Baptist Church Hospital, 33.
Thom, Mrs. Christopher, 148.
Thomas, A. A., 97.
Thomas, Artemisia H., 133.
Thomas, Miss E. D., 128.
Thomas, Dr. John M., 4, 5.
Thomas, Dr. Samuel S., 58, 59.
Thombs, Mrs. A. L. S., 81.
Thompson, Dr. J. Ford, 43, 47, 52, 53, 55, 60, 78.
Thompson, Dr. J. Harry, 74, 75, 76; receives leave of absence to visit hospitals of Europe, locates in Rome, attached to Vatican staff of physicians, resigns from Columbia Hospital, death of, war record of, 79.
Thompson, James H., war record of, 79.
Thompson, Dr. John W., 47, 53, 55, 91.
Thompson, Mrs. John W., 138.
Thompson, Miss M. L., 83.
Thompson, Mr. William, 58, 114; gift to Washington City Orphan Asylum to establish Thompson fund, 114.
Thompson, William S., 85, 86, 87, 90, 160.
Tiffany, Rev. Francis, his life of Miss Dix, 12.
Todd, Dr. Seth J., 110, 117.
Todd, William B., 110, 156.
Todd, Mrs William B., 108, 117.
Todd, William B., jr., 103.
Tompkins, Dr. E. L., 97.
Toner, Dr. Joseph Meredith, 1, 5, 6, 20, 32, 41, 42, 43, 52; his work at Government Hospital for the Insane, connection with District hospitals, inspires the founding of St. Joseph's Male Orphan Asylum, St. Vincent's and St. Ann's orphan asylums, sketch of, 20.
Toner Collection in Library of Congress, 20, 46.
Toner Medical Lectures, 20.
Toner's Medical Register of the District of Columbia, 40, 64, 76.
Toner, Dr. Ralph, 55.
Towers, Mrs. Sarah, 90.
Townsend, Gen. E. D., 85.
Townsend, Dr. Smith, 47; first health officer, his reports, 168; organizes work among sick poor, 169.

Towson, Nathan, 110.
Towson, Mrs. General, 108.
Tracy, Col. John, 173, 194; Superintendent of Charities, 184.
Transylvania University, 57.
Treasury Department, 63.
Treiber, E. F., 135.
Trenton Asylum, New Jersey, 12.
Trescott, Miss Katherine, 196, 198.
Trinidad given to Columbian College, 146.
Trinity College, 23.
Trinity Episcopal Church, 32.
Trinity Episcopal Church Hospital, 33.
Trinity Methodist Church Hospital, 33.
Truell, Donald M., 176.
Truesdell, Col. George, 176.
Tryon, Surg. Gen. J. R., U. S. N., 40.
Tuke, William, 10, 11.
Tulee, Miss, 111.
Tullock, Mrs. Miranda, treasurer Garfield Hospital, 49.
Tullock, Mrs. Thomas L., 53, 58.
Tupper, Dr. A. C., 64.
Tupper, J. B. T., 125, 133.
Turnbull, Miss Jeannie, 148.
Tuskegee Normal and Industrial Institute, 202.
Tweedale, Mrs. John, 72.
Tyler, George F., 27.
Tyler, Dr. Grafton, 17, 43, 76, 83, 85, 87, 90, 148.
Underhill, Miss Ella, 82.
Union Chapel, 32.
Union Chapel Hospital, 33.
Union Hotel Hospital, 36.
Union Printing Office Building, 5.
Unitarian Church, 32.
Unitarian Church Hospital, 33.
United States Arsenal, explosion at, 167.
United States Government committed to Garfield Memorial Hospital, 60.
United States hospitals in 1812, 3.
United States loan of 1848, 145.
University of Pennsylvania, 84.
Utermehle, Mrs. George W., 134.
Utermehle, Mrs. Sarah, gift to Washington City Orphan Asylum, 114.
Vanderbilt, Mrs. M. E., 55.
Vanderlip, Mrs. W. L., 72.
Van Buren, President, 23.
Van Ness, Miss, 108.
Van Ness, John P., 110.
Van Ness, Mrs. John P., 107, 112.
Van Ness, Mrs. Marcia, elected directress Washington Orphan Asylum, her death from Asiatic cholera in the service of
Van Ness, Mrs. Marcia—Continued.
the asylum, portrait of, placed in the asylum, 109.
Van Rensselaer, Dr. J., 83.
Van Rensselaer, Mrs., 140.
Verdi, Dr. Tuleo S., 70.
Vermont Academy of Medicine, 20.
Vicksburg, Miss., Freedman's Hospital in, 65.
Vincent, Dr. Thomas N., 44.
Virginia patients at Children's Hospital, 87.
Vogt, John L., 133, 134, 135.
Wade, Mrs. Benjamin F., 128, 129.
Wadsworth, Tertius, 27.
Waite, Miss M. F., 93, 108.
Waite, Matthew, 154.
Waite, Chief-Justice Morrison R., 69, 130.
Wall, Mrs. William, 90.
Walsh, Dr. R. S. L., 91.
Walsh, Dr. Ralph, 51, 91, 92, 94, 95.
Walter, Dr. John, 51, 92, 133, 135.
Walter, jr., Dr. J., 134.
Walters, W. T., 146.
War Department, 63.
War Department issues rations to Freedmen's Hospital, 65.
War Department, list of hospitals, 33.
War of 1812, orphans of, 107.
War of the rebellion, 7, 31, 41.
War of the rebellion hospitals, 32.
Ward, Miss, 132.
Ward, William H., 116, 118.
Warden, D. B., author of A Chorographical and Statistical Description of the District of Columbia, 31.
Warder, Benjamin H., 96, 139.
Waring, Dr. James, 4.
Warner, Dr. Amos G., 188, 194; first superintendent of charities, 183; prepares bill for Board of Children's Guardians, 185; reports of, advises abolition of his office, 184.
Warner, Brainard H., 89, 95, 96, 97, 125.
Warren, Samuel D., 27.
Wartman, Miss S. W., 71.
Washington, Mrs. Dr., 108.
Washington, President George, 144.
Washington, Miss Margaret, 79, 83, 148.
Washington, debt of, in 1832, 4; healthfulness of, health of, in 1797, 1; hospital population of, 45; pauper population of, in 1838, 8.
Washington Association for the Improvement of the Condition of the Poor, 167.

Washington Asylum Hospital, 3, 45, 73, 124, 160, 171, 177, 181.
Washington Board of Trade, 173.
Washington City Orphan Asylum, 84, 115, 116, 146, 172; sketch of, 107-115.
Washington Capital (newspaper) account of opening of Garfield Hospital, 53.
Washington City Post Hospital, 37.
Washington Directory for 1843, 10.
Washington Hall General Hospital, 36.
Washington Hospital for Foundlings, 59, 103; bequest of Joshua Pierce, 104; appropriations for, 105; support of, 106.
Washington Home for Incurables, 59, 99; organization of, hospital opened in Mount Pleasant, interest in, 99; officers, 100.
Washington Humane Society, 176, 190.
Washington Infant Asylum, 102.
Washington Infirmary, 5, 6, 7, 35, 36, 41; established, 2; occupied as army hospital, destroyed by fire, 7.
Washington Ladies' Aid Society, 99.
Washington Manual Labor School and Male Orphan Asylum, 24.
Washington Market Company, rentals from, set apart for relief of the poor, 167.
Washington Medical Institute, 16.
Washington Navy-Yard, 39.
Washington Night Lodging House, 152.
Washington Post, 201.
Washington Saengerbund, 135, 136.
Washington Seminary, 16.
Waterhouse, Dr. Benjamin, sent vaccine lymph to Jefferson, 2.
Waters, Mrs. E. N., 132.
Waters, Joseph, 36.
Waters, Dr. N. W., 4.
Webb, H. Randall, 96.
Webster, Mrs., 127.
Webster, Daniel, 146.
Weed, Mrs. C. A., 108, 137, 138.
Weightman, Mrs. Roger, 107.
Weightman, William, 27.
Welles, Mrs. Gideon, 117.
Welling, Elsa, 131.
Welling, J. C., president Columbian University, 28, 107.
Welling, Mrs. J. C., 131.
Welling, Willie, 131.
Wellington, Dr. John R., 100.
Wells, Henry, 73.
Wellsher, Miss, 54.
Welsh, Miss, 131.
Welsh, Samuel, 27.
Welsh, William, 27.
Wesley Chapel, 108.
West, Miss Roberta M., 97.
Westcott, Mrs. A. P., 138.
Western Hospital, 4.
Western Pennsylvania University, 20.
Weyss, Maj. John E., 133, 134.
Wheatley, Mrs. Walter, 140.
Wheeler, Charles, 27.
Whelan, Dr. William, U. S. N., 17.
Whitaker, Mrs. J. H., 72.
Whitall, J. M., 27.
Whiting, Harry C., 143.
Whiting, Hon. William, 112.
Whitman, D. D., Rev. B. L., 175.
Whitney, Mrs. N. J., 137.
Whittemore, Mr., 96.
Whittlesey, General, 132.
Whittlesey, Mrs. E., 139.
Wight, Hon. John B., 133.
Wight, Mrs. John B., 72.
Wilbur, Mrs. M. E. C., 133.
Wilcox, G. H., 69.
Wilcox, Mrs. G. S., 69.
Wilder, Dr. James M., 130.
Wilkeson, Mrs. Samuel, 127.
Wilkinson, Mary G., 139.
Willard, C. C., 97.
Willard, Henry A., 47, 53.
Willard, Mrs. Henry A., 53, 54, 90.
Willard, Walter J., 97.
Willard Hall, 109; meeting for relief of poor at, 171.
Willet, Richard H., 148.
William and Mary College, 146.
Williams, Mrs. General, 117.
Williams, Senator, 8.
Williams, Senator, report of, on general hospital, 4.
Williams, Mrs. A. E., 130.
Williams, Dr. Daniel H., appointed surgeon in chief, Freedmen's Hospital, 67.
Williams, Elisha W., 122.
Williams, George H., Attorney-General, 156.
Williams, Mrs. John S., 53.
Williamson, Miss H., 105.
Williamson, Mrs. Passmore, 128.
Williston, J. P., 26.
Wilson, Albert A., 189.
Wilson, Miss B. Mordaunt, 132, 133.
Wilson, Mr., 94.
Wilson, Postmaster-General, 131.
Wilson, George S., 173, 174, 175.
Wilson, Mrs. Henry, 127.
Wilson, J. Ormond, 53, 125.

Wilson, Mrs. James F., 53.
Wilson, Jesse B., 91, 95.
Wilson, Col. John M., U. S. A., 80.
Wilson, Joseph, 70.
Wilson, Mrs. L. B., 149.
Wilson, Dr. Lawrence, 91.
Wilson, Nathaniel, 79, 139.
Wilson, Mrs. Rennis C., 72.
Wilson, S., agent Humane Society, 135.
Wilson, Mrs. Thomas, 137, 139.
Wilson's Rise and Fall of the Slave Power, 63.
Windom, Hon. William, 47, 53, 60.
Windom bill for incorporation of Garfield Hospital, 61.
Wirt House, 49, 52, 55.
Wolcott, Mrs. Edward, 99.
Wolcott, William, 54.
Wolf, Mrs. Caroline, 135.
Wolf, Hon. Simon, 134, 135, 172, 189, 192, 194, 195, 196, 197.
Woman's clinic, 101.
Woman's dispensary, 100.
Woman's issue of the Times, 99.
Women's Christian Association, 182; sanitary condition of, 179, 180; sketch of, 137–139.
Women's exchange, 138.
Women's Hospital of New York City, 55.
Women's Union Christian Association, 143.
Wood, Alfred, 142.
Wood, Dr. Robert C., U. S. A., 17.
Wood, Miss Sarah, 117.
Woods, Miss F., 138.
Woodward, Mrs. S. M., 108.
Woodward, S. W., 176.
Woodward, Dr. William C., health officer, District of Columbia, 73.
Woodward, William Redin, 70, 198.
Worcester, Mass., Insane Asylum, 11.
Worthington, Mrs., 54.
Worthington, Augustus S., 163.
Worthington, Dr. N. W., 4.
Wright, Mr., 129.
Wright, Mrs. E. B., 69, 111.
Wright, Dr. J. Buddington, 108.
Wyman, Dr. Walter, Surgeon-General Marine-Hospital Service, 44.
Yale College, 29.
Yarnall, Charles, 27.
Yarrow, Dr. H. C., 58, 59.
Yellow fever in 1793, 1.
Yoemans, Mrs. S. D., 140.
Young, Dr. James T., 44, 51, 78.
Young, Mrs. James T., 140.
Young, Dr. Noble, 4, 7, 91.
Young, Notley, land commissioner District of Columbia, 144.
Young, Dr. William P., 17, 90.
Young Women's Christian Home, 139–140
Youngs, Elphonzo, 139.
Zeilen, Mrs. Colonel, 108.
Zeilin, Mrs. J., 83.
Zevely, Rev. A. N., 83, 85, 103, 122.
Zickle, S., 135.

55TH CONGRESS, 2d Session. } HOUSE OF REPRESENTATIVES. { REPORT No. 1659.

GAS AND TELEPHONE COMPANIES IN THE DISTRICT OF COLUMBIA.

JULY 8, 1898.—Ordered to be printed.

Mr. GROUT, from the committee to investigate gas and telephone companies in the District of Columbia, submitted the following

REPORT:

The committee to investigate the gas and telephone service in the District of Columbia, appointed under the resolution adopted by the House of Representatives, February 14, 1898, submit herewith, for the information of the House, the testimony heretofore taken by it relating to the charges for telephones in the District of Columbia.

The committee has not had opportunity, within the limited time at its disposal, to take up the questions relating to gas.

The committee submits this report at this time in order that the testimony taken may be printed for the information of the House, and submits the request that the committee, inasmuch as it has been unable to complete its work, be continued with its full powers under the said resolution, with leave to sit in vacation, and to report at the last session of the present Congress.

TESTIMONY

BEFORE

COMMITTEE TO INVESTIGATE GAS AND TELEPHONE COMPANIES OF THE DISTRICT OF COLUMBIA,

CONSISTING OF

MESSRS. W. W. GROUT, MAHLON PITNEY, HENRY H. BINGHAM, ALEX. M. DOCKERY, AND JOHN M. ALLEN,

RELATING TO

TELEPHONE CHARGES IN THE DISTRICT OF COLUMBIA.

TELEPHONE CHARGES IN THE DISTRICT OF COLUMBIA.

TESTIMONY RELATING TO TELEPHONE CHARGES IN THE DISTRICT OF COLUMBIA TAKEN BY THE COMMITTEE OF THE HOUSE OF REPRESENTATIVES, MESSRS. W. W. GROUT, MAHLON PITNEY, HENRY H. BINGHAM, ALEXANDER M. DOCKERY, AND JOHN M. ALLEN, APPOINTED FEBRUARY 24, 1898, UNDER THE RESOLUTION OF THE HOUSE OF REPRESENTATIVES ADOPTED FEBRUARY 14, 1898, ON THE DAYS FOLLOWING, NAMELY:

WEDNESDAY, *March 9, 1898.*

The committee appointed to investigate the charges for gas and telephone service in the District of Columbia this day met, Hon. W. W. Grout in the chair.

All of the members of the committee were present.

The CHAIRMAN. This committee meets this morning in pursuance of the following House resolution:

IN THE HOUSE OF REPRESENTATIVES,
February 14, 1898.

Whereas the act of Congress approved June sixth, eighteen hundred and ninety-six, entitled "An act relating to the sale of gas in the District of Columbia," provides, among other things, as follows:

That the Washington Gaslight Company, of the District of Columbia, is authorized to charge and collect, after the first day of July, eighteen hundred and ninety-six, for illuminating gas furnished to and paid for by private consumers in the District of Columbia, at the rate of not exceeding one dollar and ten cents per thousand cubic feet, until the first day of July, nineteen hundred and one, after which last-named date the rate shall not exceed one dollar per thousand cubic feet; and that after the first day of July, eighteen hundred and ninety-six, the Washington Gaslight Company, of the District of Columbia, shall furnish to the United States Government and the District of Columbia gas at the rate of one dollar per thousand cubic feet; and

Whereas it is further provided therein as follows:

That from and after the thirtieth day of June, eighteen hundred and ninety-six, the illuminating power of the gas furnished by any gaslight company, person, or persons in the District of Columbia shall be equal to twenty-five candles by the Bunsen photometer, using the Bray slit union burner numbered seven, consuming five cubic feet of gas per hour; and such gas shall not contain more than twenty grains of sulphur in any form in one hundred cubic feet, nor more than five grains of ammonia in any form in one hundred cubic feet, and shall be free of the impurity known as "sulphureted hydrogen," and so forth; and

Whereas it was the purpose and intention of said act to reduce the price of gas to the consumer in the District of Columbia; and

Whereas it is stated and claimed in the public press of the city that it appears that the cost is not reduced to the consumer, but, on the contrary, the bills rendered by said company to the consumer are as high, if not higher, than they were before the passage of said act, and that the candlepower has not been increased and maintained at the standard as required by the foregoing provision of said act; therefore

Resolved, That a committee, consisting of five members of the House, be appointed by the Speaker, with power to send for persons and papers, whose duty it shall be to investigate the said charges and all facts connected therewith, and report their conclusions to the House at the present session of the Fifty-fifth Congress.

Resolved, That the expense attending said investigation, such as shall be necessary, be paid out of the contingent fund of the House; and

Whereas it is stated and charged in the public press, and by very many of the people of the city, that the costs of telephone service in the District of Columbia

are excessive and exorbitant, and that the restrictions and exactions as to use of telephones in hotels and business houses and otherwise are onerous and unreasonable.

Resolved, That the aforesaid committee be authorized and empowered to investigate the said charges as to telephone service in the District of Columbia, and all facts connected therewith, to send for persons and papers, and particularly to procure such information which in their judgment is necessary and proper to determine what ought to be fair and sufficient rates for furnishing telephone service in the District of Columbia, and what ought to be fair and reasonable use of telephones by the persons and corporations renting telephones and those associated with them in business or otherwise, and report their conclusions to the House at the present session.

Resolved, That the expense attending said investigation, such as shall be necessary, be paid out of the contingent fund of the House.

FEBRUARY 24, 1898.

The Speaker announced the appointment of Mr. Grout, Mr. Pitney, Mr. Bingham, Mr. Dockery, and Mr. Allen as members of said committee.

Attest: A. McDOWELL, *Clerk.*

The CHAIRMAN. I suppose we might as well begin this inquiry by hearing what the Commissioners desire to say upon the subject of the telephone service of the District of Columbia, to whom the following letter was addressed and from whom a reply has been received, and which will also be made a part of the records:

FEBRUARY 28, 1898.

Hon. JOHN W. ROSS,
President Board of Commissioners District of Columbia.

DEAR SIR: I have the honor to request, in behalf of the select committee appointed under the resolution of the House adopted on the 14th instant, that you will, at your earliest practicable convenience, cause to be furnished me any information the Commissioners may have touching the charges made for telephone service in other cities, additional to the information communicated to Congress in Senate Document No. 21, Fifty-fourth Congress, second session (copy herewith).

I would also thank you for any other information you may have or may obtain from to time concerning the question of telephone service.

Very respectfully,

WILLIAM W. GROUT, *Chairman, etc.*

OFFICE OF THE COMMISSIONERS OF THE DISTRICT OF COLUMBIA,
Washington, February 28, 1898.

Hon. W. W. GROUT,
Chairman, etc., House of Representatives.

MY DEAR SIR: In compliance with your request I take pleasure in inclosing you herewith a tabulated statement of information recently received by the Commissioners in response to inquiries instituted by them as to certain facts in regard to the telephone companies in a number of cities, which I trust may be of value to you in connection with the investigation you are about to make. The Commissioners are expecting further replies from other cities from which inquiries have been made, but from which answers have as yet not been received, and will be glad to furnish you with this additional information as soon as it is received.

I also inclose you for such information and value as it may be to you, a copy of the report of a commission appointed in Maryland to investigate the telephone company operating in this city.

Information has also been asked from about twenty cities as to the practical operation and value of what is known as the "Automatic Telephone Company." As soon as these replies are received the Commissioners will be pleased to furnish you with the information contained in them if you desire to have it.

Very respectfully,

JOHN B. WIGHT,
Commissioner, District of Columbia.

Telephone rates, 1898.

Cities.	Business.			Residence.			Measured service.			Revenue to municipality.	Action looking to reduction of prices.	Number in use.	Number of operators.
	Metallic circuit.		Grounded circuit, special.	Metallic circuit.		Grounded circuit, special.	Metallic circuit.						
	Special.	Two parties.		Special.	Two parties.		Special.	Two parties.	Three parties.				
Louisville *a*	$111	$90	$72	$90	$60	$48	.....	.....	.....	Ad valorem and franchise tax; telephones for city government at cost; wires of police and fire departments on poles and in conduits free.	Rates believed to be satisfactory.	2,582	56
Milwaukee	120	120	72	70	70	50	.....	.....	.....	None	Rates not satisfactory, but no action taken looking to reduction.	3,250	58
Atlanta	90	75	60	.....	57	50	.....	.....	.....	Taxes on value of plant.	New company now being installed, which will reduce rates.	1,800	38
Harrisburg *b*	90	72	.....	72	60	.....	600 calls: 50	40	30	$100 per annum license and 25 cents per annum on each pole.	.....	511	11
Philadelphia *a*	160	.....	120	160	.....	120	From 800 calls: 90 To 2,400 calls: 156	72 130	.....	City government furnished telephones free.	Many complaints regarding excessive rates, but no effort of consequence being made for a reduction.	7,000	150
Baltimore	125	100	78	100	80	78	From 600 calls: 66 To 2,000 calls: 118	50 104	42 94	$2 per pole per annum and sliding scale of charge per foot for conduits.	Rates satisfactory and no action probable looking to change.		
Providence *c*	120	.....	60	100	.....	60	60	.....	.....	None	Prices considered, but no action looking to reduction.	3,317	157

a Both overhead and underground. *b* All long-distance, on metallic circuits. *c* No party lines.

Telephone rates, 1898—Continued.

Cities.	Business.			Residence.			Measured service.			Revenue to municipality.	Action looking to reduction of prices.	Number in use.	Number of operators.
	Metallic circuit.		Grounded circuit, special.	Metallic circuit		Grounded circuit, special.	Metallic circuit.						
	Special.	Two parties.		Special.	Two parties.		Special.	Two parties.	Three parties.				
St. Paul *a*	$120	$100	$72	$100	$80	$60				20 telephones free to city and 50 per cent off for over 20; city wires on poles and in conduits.	Prices considered too high and advisability of letting in competitor being considered.	1,800	38
Toledo *a*	72	60	60	54	48	42				47 telephones free to city and 25 per cent off for over 47; city wires in conduits and on poles.	Prices considered high, but no action for reduction in sight.	2,150	48
Wilmington	36		36	24		24				None	Prices satisfactory	1,500	
Newark	150	120	40	65	48	30				2 per cent of gross receipts.	do	3,665	54
Erie *b*	42			24						None	do	800	7
Nashville	84	66		60	42					$1 per annum on each telephone.	do	2,000	40
New York												23,865	600
Boston	168	147	120	122	110	96	From 800 calls 90 To 3,000 calls 174	72 150					
Jersey City	150			100	40		65			$2,500 per annum	Prices satisfactory	1,200	
New Orleans	120		96	73		55				None	New company being organized which promises reduction in rates.	1,785	115
Buffalo *c*							From 300 calls 30 To 2,000 calls 130			do	Applications of two additional companies for franchises now pending.	4,300	92
Washington	125	100	100	100	80	72	600 calls 66	54	45	Telephones to city at discount; city wires on poles and in conduits.		2,153	
Trenton *d*	36		10	24		10				Poles 50 cents per annum, and each mile of wire 50 cents per annum.	Prices satisfactory	520	11

a Both over head and underground. *b* All special and metallic. *c* All metallic and measured service. *d* No party lines.

STATEMENT OF MR. JOHN B. WIGHT, ONE OF THE COMMISSIONERS OF THE DISTRICT OF COLUMBIA.

Mr. WIGHT. In order to make the report requested of us by the committee we instituted some inquiries, so as to get at the facts in regard to telephone rates, not only in this city, but also in other cities throughout the country, so as to make an intelligent report to this committee. The bill appeared to be somewhat crudely drawn, and during the investigation the Commissioners were making——

The CHAIRMAN. You are referring to the resolution, I suppose.

Mr. WIGHT. To this bill, H. R. 5977, introduced by request by Mr. Powers. The bill is as follows:

A BILL to reduce telephone rates in the District of Columbia.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That on and after the first day of July, eighteen hundred and ninety-eight, the rates for the use of telephones in the District of Columbia shall be as follows:

SEC. 2. That for all telephones put into and used in private houses, twenty-five dollars per annum; for telephones put in and used in business and commercial houses, thirty-five dollars per annum, and for all telephones put into and used in hotels, fifty dollars per annum.

SEC. 3. That any telephone companies now or hereafter doing business in the District of Columbia who shall make contracts in excess of the rates above specified shall be subject to a penalty of two hundred and fifty dollars for each and every contract made by any telephone company in excess of said rates, to be recovered as are other penalties by prosecution in the police court.

The CHAIRMAN. A bill had heretofore been introduced in the House requesting information upon this subject, and you proceeded to give us that information.

Mr. WIGHT. Yes, sir. Pending the inquiries we made, the House added to the District bill an amendment establishing rates on telephones. Mr. Babcock, chairman of the District Committee, who sent us this bill, told us that in view of that action, which would probably be more general and more extensive than that called for by this bill, we need do nothing further in the matter. So the Commissioners have simply collected and collated such information as they could gather in regard to telephones, the rates, and the franchise, and what they pay to the different municipalities in that connection. We have sent that information to this committee and also to the Senate committee. I have the originals of all those papers here, if the committee would like to see them, or if you would like to ask any questions in regard to them I would be very glad to give such answers as I can.

Mr. DOCKERY. That, as I understand, is a tabulated summary of the information you have gathered?

Mr. WIGHT. Yes, sir.

Mr. BINGHAM. That is what we have asked for?

Mr. WIGHT. You have a copy of it here.

Mr. BINGHAM. That is what we have asked for, Mr. Dockery?

Mr. DOCKERY. Yes, sir.

The CHAIRMAN. Here is a copy of this report.

Mr. DOCKERY. As I understand it, this is a tabulated summary of all the information thus far submitted to the Commissioners?

Mr. WIGHT. Yes; relating to the Bell telephone or its local organizations. We have information here, if the gentlemen of the committee care for it, in connection with the use of the automatic telephones in various communities, but that is only important in connection with the investigation now pending in regard to the Chesapeake and Potomac

Telephone Company in this city, which is a local company of the Bell Telephone Company, which has the parent office in Boston.

Mr. BINGHAM. Does that show the rate of other companies in opposition to the Bell Telephone Company?

Mr. WIGHT. No, sir; the Bell Telephone Company operates in various cities.

The CHAIRMAN. So far as you are acquainted with the various conditions, if you will take up each locality and give us information concerning it we will be glad.

Mr. PITNEY. First, are all these cities mentioned on the table you now have before you supplied with the Bell telephone system?

Mr. WIGHT. Yes, sir; we so understand, that all these cities mentioned here have the same telephone system we have in Washington—the Bell telephone system.

Mr. PITNEY. And are there companies organized with substantially the same sort of connections with the parent company that the company here has?

Mr. WIGHT. Yes, sir.

Mr. PITNEY. Have you data from other cities independent of the Bell system?

Mr. WIGHT. Yes; we have that from some cities concerning some companies not connected with the Bell Telephone Company.

Mr. PITNEY. How many different systems are there in practical operation in different cities of the country?

Mr. WIGHT. I could not say as to that. We have some statements made by some of the mayors of these cities that there are other companies. There is the Home Company, and the Automatic Company, and I believe some other companies in the West; just how many companies there are that are actually operating I do not know. This was gotten so as to make a fair comparison with the same class of business that we have in Washington.

Mr. PITNEY. You have been asked, and I will be glad to have you answer it, about the local conditions in the different places. If you have any information tending to show whether these different rates were fixed by means of any special negotiation, or fixed by means of competition, or fixed by means of legislative limitation, I should be glad to know that as you go along.

Mr. WIGHT. I have endeavored to set that out, but there seems to be literally no guide as to why rates are established in different cities at different figures. For instance, in Nashville, Tenn., where there are approximately the same number of telephones, perhaps, that there are in Washington, and where the municipality derives $1 per annum from the company for each telephone, the rates are 33⅓ per cent lower than the rates charged in Washington. The difference in conditions is, Mr. Chairman, that in some cities they have to pay more to the municipality than they do in other cities, and in some cities they have the advantage of overhead wires, as against underground wires in other cities, and the advantages of no embarrassment in regard to legislation. The company here suffers great embarrassment from the fact that the law prohibits their stringing overhead wires, and prohibits laying underground wires, and they are very much embarrassed in that respect. In some cities there is no such embarrassment.

Mr. PITNEY. That embarrassment you speak of here is a matter of recent date, is it not?

Mr. WIGHT. Yes, sir; temporary at this time.

Mr. PITNEY. It is supposed to be temporary?

Mr. WIGHT. Yes, sir.

Mr. PITNEY. The rates, however, were fixed before that condition of legislation arose, were they not?

Mr. WIGHT. Yes, sir; I think they were.

Mr. PITNEY. Those rates were fixed before that condition came about?

Mr. WIGHT. Yes, sir; I think they were. In Harrisburg, Pa., where the number of telephones is 511, and the number of operators 11, the municipality receives a license of $100 yearly for conducting business and a revenue of 25 cents on each phone. Compare that city with Nashville, Tenn., where there are 2,000 phones and 40 operators, and where the municipality derives a revenue of $1 per annum from the company for each phone, and we find that the rates charged in Harrisburg are in excess of those charged in Nashville by about 7 per cent.

Toledo, Ohio, has practically the same number of phones and operators as Washington, and the concessions to the municipality there seem, if anything, to be more favorable than here, and yet there is an average reduction in the rates charged there of 42 per cent.

Contrasting Atlanta, Ga., with St. Paul, Minn., we find the number of phones and operators in the two cities to be exactly the same. In the former city the plant is assessed according to its real estate value; in the latter 20 phones are free to the city, a reduction of 50 per cent is made for all over that number, and the city wires are in conduits and on poles. The rates charged in Atlanta are less than those charged in St. Paul by 25 per cent.

The CHAIRMAN. As between Nashville and Harrisburg, how are the conditions, relatively—that is, as to charges.

Mr. WIGHT. As to charges?

The CHAIRMAN. Yes, as to charges. I mean, how are the conditions which would justify the charge?

Mr. WIGHT. Well, there is nothing to indicate why there should be any more paid in Harrisburg than in Nashville, so far as our information goes.

The CHAIRMAN. Have you any information as to whether the wires are overhead or underground at each place?

Mr. WIGHT. No, sir.

Mr. PITNEY. I would like to ask you whether this information comes to the Commissioners from the official heads of the cities?

Mr. WIGHT. Yes, sir; from the mayors of the various cities.

Mr. PITNEY. To how many cities did you write for that information?

Mr. WIGHT. To the mayors of Detroit, Richmond, Buffalo, Albany, Louisville, Wilmington (Del.), New Orleans, Atlanta, Providence, New Haven, Hartford, Harrisburg, Trenton, Indianapolis, Columbus, Cleveland, Toledo, Newark, Nashville, Omaha, Kansas City, Jersey City, San Francisco, Minneapolis, St. Paul, and Erie (Pa.).

Mr. PITNEY. Did they furnish any information in regard to the telephone service in New York?

Mr. WIGHT. They did not furnish any information except as to the number of 'phones in use and the number of operators.

Mr. PITNEY. Now, if you can remember what Mr. Dockery and the chairman asked you, please reply to them. I beg pardon of the committee for my part of the questions.

The CHAIRMAN. My question was a general one. The questions that have been asked have gotten that information more in detail. Now, Mr. Wight, if there is anything more in your possession upon the different rates and different places, as illustrating what the charges should be, we will be pleased to have it.

Mr. WIGHT. We have not any more information, Mr. Chairman. I will be glad to leave these original letters here for the committee to look over. The rest of the information the Commissioners have. The only thing I could give you further would be a conclusion from a study of these schedules, which the committee could make just as well as I could.

Mr. PITNEY. In the column looking to the reduction of prices, you have comments in many of the cases.

Mr. WIGHT. Yes, sir.

Mr. PITNEY. And in a few of those comments it is mentioned that there is a move on foot for competition. Is everything you know about the existence of competition in these several cities, or its probable introduction, contained in that column?

Mr. WIGHT. Yes, sir.

Mr. PITNEY. You take it for granted that there is not any competition, or any other system, in existence in these cities, except where it is mentioned in that column?

Mr. WIGHT. In the absence of any information to the contrary, we do assume that.

The CHAIRMAN. The letters you sent out to the mayors of the different cities called for that information——

Mr. WIGHT. Yes, sir.

The CHAIRMAN. And where it is not given you assume it does not exist?

Mr. WIGHT. Yes, sir; I would like to leave with you the replies to the letter which we sent out.

The CHAIRMAN. That would be well.

Mr. DOCKERY. Have you a report from any city that has the underground conduit system?

Mr. WIGHT. Not specifically as such.

Mr. DOCKERY. Do you know as a matter of fact whether any of these cities mentioned on that tabulated statement has the underground system?

Mr. WIGHT. I know Baltimore has it to some extent.

Mr. DOCKERY. How do the rates in Baltimore compare with the rates in Washington?

Mr. WIGHT. About the same.

Mr. DOCKERY. Under the same management?

Mr. WIGHT. Yes, sir; the Chesapeake and Potomac Telephone Company includes Maryland, West Virginia, and the District of Columbia.

Mr. DOCKERY. Is there any competing company in Baltimore?

Mr. WIGHT. I think not.

Mr. BIRNEY. There is a statute in that State——

Mr. DOCKERY. If you will allow me to conclude——

Mr. BIRNEY. The statute of Maryland affects the rates there, except as to special appliances—special apparatus. The rates there for the grounded circuit are $78 per annum, and here they are $100. It is only in case of the metallic circuit that they charge in Baltimore as much as they do here. They charge $125 for metallic circuits, I understand, in Baltimore, and the same here. They charge $78 for the grounded circuit in Baltimore and $100 here.

The CHAIRMAN. Whom do you appear for here?

Mr. BIRNEY. For the Telephone Subscribers' Association.

The CHAIRMAN. Looking to competition?

Mr. BIRNEY. Not looking to competition. We are for lower rates. I appear for the Citizens' Association, which desires lower rates; a

single company, if we can get lower rates with that; if not, then another company.

The CHAIRMAN. We will hear you at length later on.

Mr. DOCKERY. Now, I would like to submit a question which I have been trying to ask for some minutes. Have you a report from any city that has the underground conduit system operated by some company other than the Bell Telephone Company?

Mr. WIGHT. No, sir.

Mr. DOCKERY. Is there such a city?

Mr. WIGHT. Not that I know of; no city that I know of which operates an underground-conduit system not operated by the Bell Telephone Company.

Mr. DOCKERY. There is no such city?

Mr. WIGHT. I do not know of any such city, and I do not think there is any.

Mr. DOCKERY. How many cities have the underground-conduit system?

Mr. WIGHT. I do not know of any except Washington and Baltimore. There may be others, but these two are the only cities about which I have that positive information.

Mr. DOCKERY. And both of those cities have systems operated by the same corporation?

Mr. WIGHT. Yes, sir.

Mr. DOCKERY. Therefore the relative prices in these two cities would not give us much information?

Mr. WIGHT. No, sir; would not be much help to us.

Mr. DOCKERY. Have you any exhibit in the reports submitted showing the cost per mile of the underground conduit-system in Baltimore?

Mr. WIGHT. No, sir.

Mr. DOCKERY. Have you any information in your possession showing the cost per mile of the underground conduits in Washington?

Mr. WIGHT. We have not, unless it is contained in the letter of the Chesapeake and Potomac Telephone Company to me, under date of February 7. I do not think it is specifically given. The company speaks of its expenses. (After examination of letter.) No, sir; that is not mentioned. Mr. Chairman, the Commissioners felt that if they were asked to report on the present existing rates of this company in the District, it would be impossible for them to report properly unless they knew exactly what the operating expenses were, and what the receipts are.

The CHAIRMAN. And what the cost of the plant was.

Mr. WIGHT. Well, there is considerable information in regard to the cost of the plant and in regard to the cost of the stock, and its present capitalization, which appears to be of very little value. It is well known that the present capitalization does not represent the actual expense, therefore the question of——

Mr. DOCKERY. You mean does not represent the amount invested?

Mr. WIGHT. Yes, sir; the question of dividends is relative. It does not enter into the question of rates.

Mr. PITNEY. I presume you mean the capitalization is in excess of the actual cost of the plant?

Mr. WIGHT. Yes, sir.

Mr. PITNEY. And is it not very much in excess of what it would cost at the present day to duplicate it?

Mr. WIGHT. I guess there is no doubt about that; nobody denies

that. There are only two questions to get at in this connection, and those are what are the legitimate expenses and what are the receipts?

The CHAIRMAN. And what was the cost of the plant would be an essential question, would it not, Mr. Wight? You would want to know what are the expenses, what are the receipts, and what is the cost of the plant?

Mr. WIGHT. Yes, sir.

Mr. PITNEY. And then under the head of expense, is there not a considerable amount included in payments which after all are profits to the investors?

Mr. WIGHT. Yes, sir; and that could only be developed by an examination of the expense account—an examination as to what the expense account is made up of—and that you can not get unless you have such an expert as the Senate has employed.

Mr. PITNEY. Before you close I want to ask you if I correctly understand your historical deduction from this investigation so far as you have carried it on. If I understand it, that seems to be that in each of these cities, upon the introduction of the telephone service, the agents of the parent company have investigated by inquiry among citizens who desire the use of the telephone, and have endeavored to find out how many subscribers they could get and how large a charge they would submit to, and have fixed the rates, in other words, simply by direct association with intending subscribers?

Mr. WIGHT. Yes; they have done the best they could in each town, so it seems.

Mr. PITNEY. You have not the data to show just the date of introduction in these towns?

Mr. WIGHT. No, sir.

Mr. PITNEY. Or whether increases or reductions have been made in charges since the first introduction in these towns?

Mr. WIGHT. No, sir.

Mr. PITNEY. Nor have you any statement as to whether the number of the subscribers, and therefore to some extent the cost per subscriber, has not been materially changed since the rates were fixed? In other words, in Boston they charge $168. That perhaps might be a very good and very fair basis if there were only a limited number of subscribers, but if the number of subscribers largely increases that might render the profits very much greater in proportion.

Mr. WIGHT. I see your point, Mr. Pitney. The company claims that to increase the number of subscribers increases the cost, so that if they had 2,000 subscribers and charged a certain rate, and then they obtained 4,000 subscribers, they would have to charge more per telephone.

Mr. PITNEY. That a larger number increases the cost per instrument—per telephone?

Mr. WIGHT. Yes, sir.

Mr. PITNEY. I can understand how that might be. One telephone in connection with a subscribers' list of 4,000 would be called into requisition much oftener than if there were only 2,000 subscribers.

Mr. WIGHT. Yes; it works both ways. There is a possibility of 3,999 men calling up the four-thousandth man and the four-thousandth man can call up any of the 3,999. It increases the central office expenses very materially.

Mr. PITNEY. Do you know anything about the profits to the telephone company from out-of-town calls, whether that enters largely into the calculation of the company?

Mr. WIGHT. I do not know anything about that.

Mr. PITNEY. I suppose you do not have as much out-of-town business here—as much business in the suburban towns around Washington—as there is around New York. Around New York that is a very material item. A large number of towns are joined together in one circuit.

Mr. WIGHT. We did not go into that at all.

Mr. PITNEY. But, of course, an extra charge is made for the out-of-town business here?

Mr. WIGHT. No charge for inward calls.

Mr. PITNEY. But for a call to another town?

Mr. WIGHT. Yes; for a long-distance message out of town they pay an additional charge.

Mr. BINGHAM. Let me ask you one question. How do your charges here compare to the charges in cities of like size and like service?

Mr. WIGHT. They vary. In some cities they are more than here, and in some cities of equal size the charges are less.

Mr. BINGHAM. Can you give me a statement to that effect?

Mr. WIGHT. Yes, sir.

Mr. BINGHAM. You claim they are no higher here?

Mr. WIGHT. They are higher than in some instances; yes.

Mr. BINGHAM. Take a city of corresponding size.

Mr. WIGHT. Newark, N. J., I should think would be about the size of this.

Mr. BINGHAM (to Mr. Pitney). How large is Newark?

Mr. PITNEY. I think it is a little under 200,000 population. I can not remember exactly.

Mr. WIGHT. Newark, N. J., and Jersey City, N. J., charge $150 apiece for telephone service, and we pay here $125.

Mr. BINGHAM. This is a bigger city than Newark.

Mr. WIGHT. Washington is larger, but the number of subscribers there is much larger than here.

Mr. BINGHAM. I suppose that is because we have a large colored population here.

Mr. WIGHT. In Newark they have 3,665 subscribers. Here we have only 2,200 subscribers. In Jersey City there are 1,200 'phones, and the charge is $150, and here we have 2,200 'phones and pay $125.

It might be of interest to the committee to know, in addition, so far as the use of the streets and the franchise is concerned that the company enjoys here, that we receive from them a concession in the rates of certain phones furnished to the District for its use in the public schools, police stations, the District buildings, and its accessories, amounting, in all, to about $1,500 per annum.

Mr. PITNEY. There is no concession, I believe, for the telephones in the Government buildings, is there?

Mr. WIGHT. I believe there is.

Mr. PITNEY. I understand there is none for those in use at the Capitol.

Mr. WIGHT. I can not say as to that.

Mr. BINGHAM. Whatever privileges you have in the District you have by virtue of an act of Congress?

Mr. WIGHT. No, sir; by the will of the company. They make certain concessions to the District. We have on our poles some of their wires, and they have on their poles some of our wires. There has been an interchange of the use of poles.

Mr. BINGHAM. Then you do not operate in this District under an act of Congress?

Mr. WIGHT. Yes, sir.

Mr. BINGHAM. Then, whatever may be your allowances or concessions, they are given by an act of Congress?

Mr. WIGHT. I do not know whether there is an act of Congress. We have used their poles, and they have used our poles. They have strung a good many miles on our poles; and, for instance, to connect our fire alarms, they have let us use their poles.

Mr. BINGHAM. What charter do you operate under here in the District?

Mr. DOCKERY. You mean the telephone company?

Mr. WIGHT. You mean me?

Mr. BINGHAM. Yes; what charter does the telephone company operate under?

Mr. WIGHT. Under the act of incorporation of the State of New York.

Mr. BINGHAM. Then, not under the privileges of an act of Congress?

Mr. WIGHT. No, sir.

Mr. BINGHAM. That is what I wanted to get at. They are operating under a charter outside of the District of Columbia.

Mr. DOCKERY. Do I understand you to say that this company pays no taxes?

Mr. WIGHT. I understand not. There is nothing on which they have to pay taxes. If they have real estate, they would pay taxes on the real estate.

TESTIMONY OF S. M. BRYAN.

The CHAIRMAN. I notice that Mr. Bryan, president of the Chesapeake and Potomac Telephone Company, is present, and if Mr. Wight has finished his statement, we will be glad to have the testimony of Mr. Bryan. This being an investigation, it is the mind of the committee that the witnesses shall take an oath. Have you any objection?

Mr. BRYAN. Certainly not.

Whereupon—

S. M. BRYAN, president of the Chesapeake and Potomac Telephone Company, being sworn by the chairman, testified as follows:

The CHAIRMAN. Here is a letter which I will read, partly for the information of the committee, because some of them, perhaps, have not seen it. It was not submitted to the committee. I was directed to prepare and forward a letter of this character. The letter is as follows:

FEBRUARY 28, 1898.

Mr. S. M. BRYAN,
President Chesapeake and Potomac Telephone Company, Washington, D. C.

SIR: I have the honor to request that you will, at your earliest possible convenience, furnish me, for the use of the select committee appointed by the Speaker on the 24th instant, under the resolution of the House of Representatives adopted February 14, 1898, the following information, namely:

1. What are the charges made by your company for telephone service, and what are the conditions or restrictions, if any, imposed upon hotels, business houses, and other users of telephones in the District of Columbia?

2. Similar information with reference to the service of your company in the city of Baltimore, Md.

3. What is the amount of capital stock, and what is the amount of bonded indebtedness of the Chesapeake and Potomac Telephone Company, and what is the rate of interest charged on the latter?

4. How many miles of underground conduit have been constructed and are in operation, and what was the cost thereof; and how many miles of overhead wire are operated by said company in the District of Columbia?

5. What amount of money has been actually invested by said company in the District of Columbia in the establishment of its existing plant, not including any expen-

ditures made for switchboards or other instruments or property not now in actual use?

6. What were the gross receipts of the Chesapeake and Potomac Telephone Company for business done in the District of Columbia during the calendar year 1897, and what were the total expenditures of the company for the same period, incident to its business in said District? In this connection, also, please state the number of principal officials of said company and the amount of their respective salaries.

Very respectfully,

WILLIAM W. GROUT,
Chairman.

By the CHAIRMAN:

Q. Are you prepared this morning to submit this information?—A. That information is in process of preparation and I do not want to hurry or be hurried too much about it, because I wanted it to be absolutely correct, and some of those questions put the matter in a different way from what they are kept upon our books, and it is necessary, therefore, to make an analysis there before we can give you the information which we can stand by. But I hope in a few days to be able to furnish it.

Q. When may we expect it?—A. I should think it would be ready in a week. There are certain things to be done in the current affairs of the company which it is necessary to do, and, work as I will, it will take some time to get things as I want to. But I shall hurry.

Q. Of course the replies to these questions furnish the base of the inquiry as to the proper adjustment of rates, and that would dispose of everything—within the scope of the examination by the committee.—A. I should be glad if the committee would permit me——

Q. One word. You see how difficult it is for us to move forward until we have that statement. We do not care to proceed to an oral examination until you submit answers to those questions, and then, undoubtedly, there will be questions which will be put with reference to them. Since the 28th of February the committee has been waiting. We have had one or two meetings fixed and have postponed them, and have received word from you at different times that you were not ready to send in this information. Of course the committee—I am speaking for myself, but I have no doubt that I voice the sentiments of the committee—do not wish to hurry you unreasonably, but, of course, you must see that this furnishes the basis of this investigation.—A. Precisely. There has been so much guesswork about this that I prefer not to say anything until I get the information in shape. I am glad you said what you did; that you do not care to proceed to an oral examination until I submit the information asked for, because in speaking to the committee on this subject I desire to speak by the record in every case, and I do not want to be led into saying anything that can not be substantiated by the actual figures.

Q. Of course you have original books showing the cost of this construction?—A. We have, yes; and if the committee desire to have a partial reply, that is, a reply that I can probably get to them the day after to-morrow, I shall be glad to submit that partial report, and be allowed some few days more on the other.

Q. Which branch are you able to submit day after to-morrow?—A. As to the gross revenue. I can give you that and the expenses for 1897. I can give the number of miles of overhead wires and the number of underground wires, and questions of that kind. But I think the first question, as it appears in that letter, not only requires an answer by paragraph, but it requires considerable explanation; a pretty long statement on my part to make it clear. I think it is the first question there—

the first or the second question—but as to the statistics, that is, the number of miles of overhead wires and the number of miles of underground wires, and the receipts and expenses, that I could give you at any time.

By Mr. ALLEN:

Q. Can you give us the cost of the plant also?—A. It was all taken in together when the consolidation was effected in 1883, when the Baltimore company or Maryland company was consolidated with the District company and the present company formed, and consequently I would very much prefer that that should be done by bookkeepers, who have technical knowledge of accounts, which I do not profess to have.

By Mr. DOCKERY:

Q. Don't you think you can send the information to us before a week passes?—A. I will endeavor to. I will do the best I can, but I wanted to have it exact, and we keep our accounts together; we run the concern as one company, whether it is Maryland or West Virginia or District of Columbia.

By Mr. PITNEY:

Q. Is that system of accounting still pursued?—A. The Western Union Telegraph Company does not keep a separate account of the District of Columbia——

Q. I am speaking about your company.—A. We are doing business in two States—Maryland and West Virginia—and in the District of Columbia, and naturally we run as one company.

Q. I was aware that you ran as one company, but I was informed, from what I considered a reasonably reliable source of information, that since the investigation had a few years ago—I do not know whether in Washington or some of the States—an investigation of your company's affairs, great difficulty was found to separate the different businesses and properly analyze your accounts, and that since then you had adopted a new system and are now keeping separate accounts.—A. We have as to the figures of which I have spoken—of which I spoke a moment ago—but not as to all the things, because that investigation was for a certain purpose. The accountants took up the question and separated the matters up to that time, but those figures—the figures that he made at that time—relate to the State of Maryland, and are embraced in the report which was made by the commission to the legislature in 1894.

Q. That is the investigation that was referred to, evidently.—A. Yes, sir.

Q. Is there an official report of that investigation?—A. The report was made by the commission, and I would be glad to furnish the committee with a copy of that.

Mr. WIGHT. There is a copy here.

Mr. DOCKERY. Mr. Chairman, there are one or two other questions I desire to ask the committee to propound to the president of the telephone company, who is now on the stand, but I will do so after the committee adjourns, and if the committee are inclined to submit the queries they can be prepared. One of the questions is: I desire to know the amount of stock held by this Bell Telephone Company in the local corporation, if any, and the amount of cash actually invested by the Bell Telephone Company. And I also desire to know the amount of royalties paid by this company to the Bell Telephone Company, or the parent company, and perhaps one or two other questions that I will

submit after we have adjourned. If the committee thinks it desirable we can prepare a letter along that line, as supplemental to the letter already sent to Mr. Bryan.

The WITNESS. In response, I would say that the organization was perfected before I entered the business, and I have no personal knowledge——

Mr. DOCKERY. I am not asking for a reply now.

Mr. PITNEY. I would like a reply.

The WITNESS. Of my own personal knowledge, I do not know the details of that organization, but no doubt they can be obtained if the committee will ask for the information.

By Mr. PITNEY:

Q. Some record of them will be found on the books of the concern?—A. Surely.

Q. We would like to know how much of the original capitalization represented cash outlay and construction, and how much, if any, represented purchase or rental of patents or instruments; what contribution of property or patent rights was made by the parent company, or by anybody else, to the organization of the local concern; what they have now in the way of stock to represent it; what royalties have been paid from time to time, not only now, but in the past; for what rights or instruments those royalties are paid, and also how many patents now being used are still in force. Then there is another inquiry that you may prepare yourself to respond to—— —A. I should be very glad to prepare that, because I should be disinclined to speak offhand on matters of so much importance.

Q. We intimate them now in order that you may be prepared.—A. I will be very glad if I can have a list of them.

By the CHAIRMAN:

Q. We will prepare and send you a list in the letter.—A. I will be glad if they will show me the line the investigation will take. I would be very glad to bring the records and papers down here referring to those things that are necessary; but, taking the whole subject, it is a pretty broad one, and to cart everything I have got down here would require the use, probably, of half of this table, because investigation has followed investigation from year to year, of one kind or another, until we have got together a great many papers, bearing, I think, on all the questions that the committee may have in mind. But I should like to be excused from stating anything in relation to figures from memory.

The CHAIRMAN. We do not ask it.

By Mr. PITNEY:

Q. Let me ask you, Mr. Bryan, whether there is a contract in existence between your company and the Western Union Telegraph Company, or between the American Bell Telephone Company and the Western Union Telegraph Company, looking to a division of territory or a division of business between those companies, and looking to the payment of money by the Bell Telephone Company or by the local company to the Western Union Telegraph Company.—A. I have no knowledge of any contract of which you speak. We have none with the Western Union Telegraph Company, and the contract relations between the Bell Telephone Company and the Western Union Company—whatever their contract relations may be, I have no knowledge of them. They have not taken me into their confidence.

Q. If such a contract exists between the parent company and the Western Union Telegraph Company you have no knowledge of it?—A. No, sir.

Q. Such a contract is not on record on the books of the Chesapeake and Potomac Telephone Company?—A. Not at all.

Q. To whom should we address inquiries on that subject, in order to get the necessary information?—A. I do not know, unless you chose to address the American Bell Telephone Company on that subject. Our relations with the Bell Telephone Company are those of licensee and licensor.

Q. And also of corporation and stockholder, I believe?—A. They are holders of stock in our corporation, and if there is any dividend declared, the proportion of that dividend goes to all the shares alike, whether they are held by other corporations—by the Bell Telephone Company or any other corporation—or by private citizens.

The patent laws of this country give to the owners or to the owner of a patent the right to do with that patent as he pleases, and he may place such a price upon it that it may remain out of public use for the whole life of the patent, and nobody can say nay, because the law says that he has property rights that shall not be violated, and when a telephone business was established in the District of Columbia, or in any other part of the United States, if the only patents for telephones were owned by the American Bell Telephone Company, or by anyone else, and it was the desire of any man or set of men to use those patents in furnishing telephonic communications to the citizens of Washington, one with another, it was absolutely necessary to obtain the use of that patent; and there is no rule or law that I know of by which we can insist upon fixing terms with the owner of a thing for its use, and we had to do just what anybody else did, and what everybody else did in the United States—agree to the terms fixed by the American Bell Telephone Company, as owners of those patents, for their use. The instruments were at that time as much a part of the preparation to do business as a pole line. The pole line would have been absolutely useless without the instruments, and the instruments we could only get on the terms prescribed by the owners of the patents that covered them.

Q. You are drawing the question as between the local company and the American Bell Telephone Company?—A. Yes.

Q. Now look at the other side. We desire to treat of the relations between the local company and the public. The local company might have the most valuable patents, but if they did not have a public franchise they might not be able to do any business. We, as Representatives, are charged with the duty of seeing that the public franchise is used in accordance with the law which provides that the service shall be granted to the public at reasonable rates. The question we desire answered, is whether the rates are reasonable, and the fact that somebody else has charged you an unreasonable price for something which enters into the cost of it does not preclude us from inquiring as to what that charge was, and what it was made for.—A. That comes back to our contract relations with the American Bell Telephone Company, and the fact that we made a contract on no better terms and on no worse terms than other licensees of that company through the length and breadth of the country absolves us from any purpose, I hope, of doing anything wrong in that connection. Those contract relations still hold good, and with our charges to the public of the District of Columbia, of course Congress has to do directly, because if we are making an unjust charge it is their duty, undoubtedly, to regulate it.

By Mr. DOCKERY:

Q. Does the Bell Telephone Company own a majority of the stock of the local company?—A. It owns a majority of the stock of the local company. It owns a large portion of that by purchase in the open market.

Q. But it owns it?—A. It owns it.

Q. Therefore, so far as the controlling interest is concerned in the local company, the American Bell Telephone Company has that interest?—A. The local company is by no means the Bell Telephone Company. It is the Chesapeake and Potomac Telephone Company, without any effort at control as to what it shall do.

Q. Then the American Bell Telephone Company does not exercise the rights of control it has by reason of owning a controlling interest?—A. It does not endeavor to control. It is controlled by a board of directors, who have nothing to do with the American Bell Telephone Company, but who are stockholders in the District of Columbia.

By Mr. PITNEY:

Q. Perhaps you could tell us now what proportion of the stock of the Chesapeake and Potomac Telephone Company is owned by the American Bell Telephone Company?—A. I have not the exact figures, and I can not state that from memory.

Q. More than 55 per cent?—A. I do not think so. Oh, no; not 55 per cent, or any figure approaching that, was given to the American Bell Telephone Company for any franchise.

By Mr. DOCKERY:

Q. That company, as I understand it, has a majority of the stock?—A. It does hold a majority of the stock in the company.

By Mr. PITNEY:

Q. What proportion of the local stock is given to the parent company for a franchise?—A. I think it amounted to 28 per cent; in the District of Columbia none. The District of Columbia company was not compelled to give any stock for a franchise when it was organized as the National Capital Company, but when the consolidation was effected it was taken as one-fourth of the entire company, and the Baltimore part of it alone contributed its proportion the same as all the other telephone companies, to the Bell Telephone Company.

Q. What proportion of that was the present capitalization?—A. About 28 per cent. The other stock was bought by the American Bell Telephone Company in the open market the same as anyone else would buy it.

By the CHAIRMAN:

Q. The committee has concluded to ask you to submit to-morrow as full a report as you can.—A. Very well; I can make a partial report, and will be glad to do so.

Q. And see if you can not bring in the balance inside of that long week of which you spoke, because we have been waiting a good while already. If you will submit it to-morrow, as far as you can, we will be obliged; and then we will submit these inquiries in a more specific form, in writing, which have been suggested in the line of this investigation this morning.

By Mr. PITNEY:

Q. One other question. Does the Chesapeake and Potomac Telephone Company make an annual report to any public authority of its trans-

actions or its business?—A. It makes a report to the secretary of state of New York, I think, but the form of that report I have not in mind. That is done by the secretary and the treasurer, and does not come directly under my supervision.

Q. That is done in compliance with the laws of the State of New York?—A. Yes, sir.

Q. Has that report been regularly forwarded?—A. Always.

Q. The statement has been made that no report has been made since the year 1891.

The CHAIRMAN. That means to the stockholders, I suppose?

A. The stockholders have been given information from time to time. The card folder, to which you refer—the little sheet you no doubt refer to—was published in 1891. I do not know whether you have seen it or not, but it was exhibited before the Senate Committee on Appropriations. That was a statement embracing those things that would naturally interest the stockholders. That was taken from my report to the directors, and it was published in 1891, and it treated of the business in 1890.

Q. Have similar reports been made annually since then to the stockholders?—A. No, sir.

Q. Has information of a similar character been published since, relating to the years since 1890?—A. Not in the same shape. We have been asked for information by the Commissioners nearly every year, and we have furnished it; and a good deal of information has been furnished to Congress from time to time, but not in that shape.

Q. How can we get access to those reports made by the Commissioners to Congress; are they in existence, Mr. Wight?

Mr. WIGHT. I suppose they are. We can furnish copies of anything we have. I do not know what it is that Mr. Bryan refers to.

The WITNESS. The thing I refer to is a skeleton report for the stockholders, made in 1891, and it would not give to a committee like this, I take it, any information of any particular value. We reported to the Senate committee in regard to royalties to the Bell Telephone Company. Those royalties have been reduced by concessions very much since that time, and, with the exception of that item, I do not suppose that a report of that kind would be of any particular value.

By Mr. PITNEY:

Q. When we get all the information we ask for we will judge of the value of it.—A. I can give you something very much more valuable than that, because a report made in 1891 would not be considered, I take it, of any specific value in 1898 if you could get the 1897 figures.

Q. If we could get the annual figures for eight years, that would be the most valuable thing.

By Mr. ALLEN:

Q. I understood you to say that this 1891 report was a sort of a compilation of the report you made to the directors?—A. Yes, sir.

Q. You have made those reports to the directors every year?—A. I make short reports to the directors, treating of the—my report to the directors is practically confined to the statement of revenue and expenses in matters of exchange and toll lines, and things of that kind, and the revenues and expenditures are practically the items that take up that report. Those are the figures they wanted, that they wanted to be acquainted with, and if I have any comments to make, I make those.

By Mr. PITNEY:

Q. Have you the books and records of the National Telephone Exchange, the predecessor of the local company here?—A. I do not know where they are. I came into the service after the consolidation was effected, and I have no knowledge of anything before that. This company was formed in August, 1883, and I did not enter it until the first part of 1884.

Q. You mean the consolidation took place in 1883?—A. Yes, sir.

Q. How long had the telephone system been in use before that time?—A. I was out of the country and I do not know. I think it began in 1878 or 1879, but I could not speak with positive knowledge on the subject, because I was not in the country during those years. Another thing I might say, Mr. Pitney—I was rather surprised and embarrassed about it—was the fact that the figures of the expert accountant, upon which I depended very largely, which I expected to have, are now beyond my reach. All the statements made now must be made by the company, for the reason that the Senate committee was promptly discharged yesterday, and the man was discharged and sent home to New York.

Q. I do not understand that the Senate committee was discharged.—A. It was, and the accountant was discharged, his bill asked for, and he is now in New York.

Q. I was informed that the Senate committee simply had declared their intention to desist from further investigation.—A. My information from the acting chairman of the Senate committee is that he promptly asked that the committee be discharged, and that it was discharged from the further consideration of the question.

Q. Of course this committee is independent of the Senate committee.—A. Yes; of course; but I am speaking of the embarrassment caused by the discharge of that expert accountant, because, having had the statements which emanated from our office questioned so often, I very much preferred to have the next statements or figures come from an independent source, from an expert of such high standing that his opinion, so far as the figures were concerned, could not be questioned.

By Mr. ALLEN:

Q. You could give us a sort of a compilation of this report you have made to the directors since 1891 each year, could you not?—A. Oh, I think so; oh, yes; I will be very glad to do that, and I will take that as a request, without any written request.

Mr. PITNEY. The annual reports, I presume?

Mr. ALLEN. Yes, sir.

The WITNESS. One of the questions asked Mr. Wight I will be glad to answer. Not giving you specific information, but in a general way, I can say in regard to the underground conduits that nearly every city has more or less underground. Boston has a large amount; Brooklyn also has a large amount; New York has a great many miles—I do not know how many now; Philadelphia is very well equipped with underground conduits, and Pittsburg, with Washington, was the pioneer in the underground matter. Cincinnati has probably 15 or 20 miles of underground conduits; and Chicago has, and I think St. Louis has. San Francisco has underground.

By Mr. PITNEY:

Q. Are you furnished with data concerning the underground construction in these different cities?—A. Only in a general way.

Q. If you can put us in the way of receiving, getting the data—A. As to the amount and cost of it?

Q. Certainly; and any other facts which may be valuable to us.

By Mr. DOCKERY:

Q. Can you state to the committee now the ratio of expenditure between the underground and overhead systems?—A. The conditions vary, Mr. Dockery. The first cost is very much more, and there are many items going into the expense of maintaining an underground system that are not usually considered by the laymen, anyhow. The great care that has to be taken to prevent electrolysis is an important point. We have suffered from that very much here, and also in Baltimore, and the experts we have to employ, because we have trouble with the underground system, and we have to use all the means at our disposal, at whatever cost is necessary, to find out where the difficulty is. We can not find it as we can on an overhead line. Another item of expense that is not usually considered is this, that ducts being constructed for underground service have to be put down with a view to the future requirements, because you can not dig up streets every year. That would not be permitted. There is a large amount of dead capital to-day invested in that way, and then when the cable is full of working wires and it is necessary to draw in another—the standard size of cable is 100 pair—and if a pair of those wires is used, and only a pair, 99 per cent of the cost of that cable is dead until some more subscribers come in. I am running to Georgetown a cable that will cost me about $5,400.

Q. Without going into details, can you state to the committee at this time the relative cost of constructing and the relative cost of operating underground and overhead systems?—A. That is a matter that will require very careful figuring on the part of those who are better up than I am.

Q. Has not the ratio been fairly well established by experience?—A. No, sir; not to my knowledge.

Q. It is not?—A. No, sir; not to my knowledge.

By Mr. PITNEY:

Q. The present service has got to be charged with something against probable or possible future expense?—A. The present service is charged with nothing except what we believe to be the proper rate, based upon the expense of doing business; and in putting down those underground, we have charged—whenever it was new construction, we have charged it to construction. Whenever it was replacement we charged it to replacement; but as to the charge of each individual telephone or any telephone, on account of this underground, it only occurs in a general way, and it is an incident of the business.

Thereupon, at 12 o'clock, the committee adjourned until to-morrow, February 10, at 10.30 o'clock a. m.

THURSDAY, *March 10, 1898.*

The committee of the House of Representatives appointed to investigate charges for gas and telephone service in the District of Columbia, this day met pursuant to adjournment.

All of the members were present.

The CHAIRMAN. In response to the request of the committee Mr. Bryan has submitted this morning the following:

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
Washington, D. C., March 9, 1898.

The Hon. WILLIAM W. GROUT,
Chairman Select Committee of House of Representatives Charged with Making Inquiries Concerning Telephone Rates in District of Columbia.

DEAR SIR: Referring to your letter of the 28th ultimo, requesting certain information in relation to this company, to your letter of March 7 on the same subject, and to the verbal request made by you to-day for a partial answer at once to the six questions propounded in your letter first above referred to, I now have the honor to make reply to questions 3, 4, and 6.

Your question 3 is, What is the amount of capital stock and what is the amount of bonded indebtedness of the Chesapeake and Potomac Telephone Company, and what is the rate of interest charged on the latter?

The capital stock of the company is $2,650,000; the amount of bonded indebtedness outstanding is $374,000, the rate of interest being 5 per cent per annum.

Your question 4 is, How many miles of underground conduit have been constructed and are in operation and what is the cost thereof, and how many miles of overhead wire are operated in the District of Columbia?

There are 15.1 miles of underground conduit, containing 132.2 miles of duct, together with 223 manholes, the total cost of which has been $186,092.78. The company has 2,863.3 miles of overhead wire in the District of Columbia. The subways contain 4,489.2 miles of wires.

Your question 6 is: What were the gross receipts of the Cheasapeake and Potomac Telephone Company for business done in the District of Columbia during the calendar year 1897, and what were the total expenditures of the company for the same period, incident to its business in said District?

The gross receipts of the company for business done in this District during the calendar year 1897 were $197,941.17. The total expenditures of the company for the same period, incident to its business in the District of Columbia, were $168,273.74; making the net revenue of the company for the District of Columbia part of its business for 1897 $29,667.43.

In connection with the above question you also asked the number of principal officials of this company, and the amount of their respective salaries.

The principal officials of the company are: President and general manager, $8,000 per annum; vice president (vacant); general superintendent (vacant); treasurer, $3,000 per annum; secretary and purchasing agent, $2,100 per annum.

I have the honor to be, sir, yours, very respectfully,

SAM'L M. BRYAN, *President.*

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
Washington, D. C., March 10, 1898.

The Hon. WILLIAM W. GROUT,
Chairman Select Committee of House of Representatives Charged with Making Inquiries Concerning Telephone Rates in District of Columbia.

DEAR SIR: At the reqest of Mr. Allen, of your committee, I beg to submit herewith a digest of the reports of this company for eight years.

I am, dear sir, yours, very respectfully,

SAM'L M. BRYAN,
President and General Manager.

Comparative statement of revenue and expenses of the Chesapeake and Potomac Telephone Company for the years 1890 to 1897, inclusive.

	1890.	1891.	1892.	1893.
Gross revenue	$395, 614. 29	$418, 942. 12	$440, 624. 72	$465, 130. 47
Gross expenses	270, 619. 58	302, 637. 28	333, 701. 84	347, 962. 90
Net revenue	124, 994. 71	116, 304. 84	106, 922. 88	117, 167. 57
Dividends	92, 750. 00	79, 500. 00	66, 250. 00	53, 000. 00
Surplus	32, 244. 71	36, 804. 84	40, 672. 88	64, 167. 57
Construction	311, 459. 30	182, 896. 43	85, 499. 09	12, 369. 60

	1894.	1895.	1896.	1897.
Gross revenue	$463, 934. 64	$490, 273. 32	$508, 217. 68	$531, 471. 88
Gross expenses	354, 304. 31	369, 848. 79	393, 202. 40	406, 889. 39
Net revenue	109, 630. 33	120, 424. 53	115, 015. 28	124, 582. 49
Dividends	53, 000. 00	53, 000. 00	79, 500. 00	106, 000. 00
Surplus	56, 630. 33	67, 424. 53	35, 515. 28	18, 582. 49
Construction	53, 984. 72	32, 205. 14	18, 164. 46	39, 654. 28

STATEMENT OF MR. A. A. BIRNEY, REPRESENTING THE TELEPHONE USERS' ASSOCIATION.

Mr. BIRNEY. It is perhaps well for me to preface my remarks on the subject of rates by directing the attention of the committee first to the way in which the Chesapeake and Potomac Telephone Company has acquired its present right to the exclusive use of the streets of the city for telephone purposes. In Senate Document No. 92 of the second session of the Fifty-fourth Congress will be found a compilation of the legislation and the various acts of Congress upon this subject. It amounts to little more than regulations made from 1888 down to the appropriation act of 1892 (appropriations for the year ending June 30, 1892)—regulations in the nature of directions to the Commissioners not to permit other than existing companies to lay telephone wires in the streets of the District, and limiting the extent in miles of conduits for laying such wires. The last act, as I find it here, upon that question is the act of June 30, 1892, providing that the Commissioners of the District shall not permit the additional construction of more than 5 miles of conduits or subways in aggregate length for electric-lighting purposes nor more than 5 miles of conduits or subways in aggregate length for telephone service, "this to apply to all permits heretofore granted or hereafter granted under existing law, or such permits to be revocable by Congress as hereinbefore provided, but not to apply to necessary street or house connections for electric service nor to changes of motive power on street railways in compliance with existing law."

The company is not here through charter by Congress or through any other definite legislation than such as indicated here, provisions of this sort by Congress, and permits issued in consequence of such legislation by the Commissioners of the District of Columbia.

The CHAIRMAN. Is there anything in the record or in this document indicating the reason for limiting that to 5 miles?

Mr. BIRNEY. No, sir; I think not.

The CHAIRMAN. Or in the discussion that arose concerning it?

Mr. BIRNEY. That I have not had access to, and have not examined.

Now, a very brief history of this will be perhaps a benefit. The first

telephone lines in the District of Columbia were laid in 1878. A company had then been formed known as the National Telephone Exchange. That company was operated principally by George C. Maynard, who was at the head of it, and the first line laid was from the Evening Star office to the Senate wing of the Capitol. That company had a capital stock, as we are informed, of $100,000, and had, in fact, expended a small portion of that—just how much I am not able to state—in the construction of a plant. That company was succeeded by another company of somewhat the same name—the National Capital Telephone Company. That company, we understand, had a larger capital. In 1882 the American Bell Telephone Company began to appreciate the commercial value of the telephone, and it organized this Chesapeake and Potomac Telephone Company, after having completed negotiations with the existing local company and with the Maryland company, which controlled the State of Maryland, the result of the negotiations being that the Chesapeake and Potomac Company absorbed these two companies, took to itself all the stock, and issued its own capital stock to the amount of $2,650,000. In a report which is made by an expert appointed by the Maryland legislature, which report, I believe, is before this committee, it appears that only $750,000 of the $2,650,000 of stock issued by the Chesapeake and Potomac Company was assigned to the District of Columbia, and so far as we have any information that remains the assignment to this day—the total capitalization of the District branch of that company.

The CHAIRMAN. May I interrupt you a moment? I wish to step out to answer a dispatch, and General Bingham will take charge of the committee while I am gone. Those who are presenting the matter should understand that this will all be a matter of record, and that we will familiarize ourselves with the statements that are made very fully, and that while these statements are being made it is not necessary that the full committee be present all the time.

Mr. BIRNEY. The first rates by the Bell Telephone Company were $12 for a set of instruments, the promise being made when the company began business that when the number of subscribers should reach 200 there would be a reduction in the price. It is fair to say that at that time it was stated that when the number of telephones reached a certain number, there might be an increase in the cost to the subscribers, but only when the increase reached a certain limit. The price fixed at that time was as low as I say. After that I am informed that the price was raised to $25, and after that to $40, and then again to $60, and then raised until it rested where it is now; that is to say, practically speaking, the price to-day for a grounded circuit for business purposes is $100, and for a metallic circuit $125, for an ordinary business establishment or to a lawyer or other office, and a lower sum than that to private residences. The figures are in case of unlimited service. Where there is a measured service the price is fixed according to the number of messages.

The history of this movement, which has culminated perhaps in this investigation, is of a little interest. It is only a few years ago that the people of the District of Columbia became very much aroused, indeed, not only from excessive rates which they had suffered for a long time, from this company, but from the limitations placed by the company upon the use of its telephones made by its subscribers, and petty annoyances on the part of the company, which indicated a spirit of arrogance which at last had become unbearable. It was under such conditions, and after an effort had been made, which was successfully resisted in a

suit, to take out the telephone from one of the hotels because other persons than the proprietor of the hotel were permitted to use it, that the citizens got together, that a mass meeting was called, which was attended by several hundred of the telephone subscribers, and active efforts were then put on foot to relieve themselves from what they regarded as oppression.

It is fair to the Telephone Subscribers' Association, which we represent, to say that they desire in this thing nothing but what is fair. They do not wish to be unjust in any way whatever to the telephone company; they do not wish, if they can avoid it, to say anything which would seem unfair, or quote any figures which would be unfair to the company, but only to lay before this committee what we understand to be the facts in reference to this matter, giving this committee all the information which we have been able to acquire, and ask that entire justice be done to the community as well as to the telephone company. In our investigation to determine what is right in respect to this company, particularly with respect to rates, we have not pursued the course which has apparently been pursued by the District Commissioners. Mr. Wight laid before the committee yesterday information received from a large number of cities of somewhat similar size to Washington, or having a greater population. In all of those, however, as Mr. Wight told this committee, there is but one system in operation, and that is the Bell system. The American Bell Telephone Company has its licenses all over the United States, and it charges, in cities where it has the monopoly, just about what it pleases, uncontrolled as it is uncontrolled here; and we say that it is entirely unfair to the public to quote the charges of the American Bell Telephone Company, in cities where it has undisputed control, in support of the contention that its prices here are right and just. We prefer to go to those cities where competing companies have been allowed to enter, where the prices have been fixed by competition, or in some cases through statute—not many cases through statute—and we can determine better, we think, through the results of competition than can be determined in any other way what is fair and right.

Now, I desire to lay before the committee the result of the investigation which we have been able to make in a comparatively short time since this inquiry commenced into this branch of the case. We appreciate the importance of the claim by the American Bell Telephone Company and by the Chesapeake and Potomac Telephone Company made here that the costs may be larger in large cities where there are a great number of subscribers than in small cities, but we are not prepared to concede that the increase in cost per telephone amounts to anything like the increase which is claimed by the Chesapeake and Potomac Telephone Company.

Upon that question I desire to quote from a report submitted to the New York legislature in 1890. In that report it is said:

> The statistics furnished by the Metropolitan Company enable the committee to test the correctness of the universally accepted theory that the cost per capita of operating increases nearly in a geometrical ratio to the increase in the number of subscribers. We have been unable to test it in reference to any other company in the State. These statistics not only show that this theory is incorrect, but demonstrate, on the other hand, that with the growth, after a certain point has been reached—which point we are unable to determine definitely—the expense per capita decreases and the earnings increase.

That was a report from the investigating committee of the New York legislature, as I find it in an argument which was made before that committee. I will leave with the committee a tabulated statement showing

the rates in a number of other cities, some of them as large or about as large as our own city, and many of them having in use as many or more telephones as are in use here, and showing the rates which were charged by the Bell Telephone Company to the licensee in each case before competition was permitted in those cities, and the rates charged by the Bell Telephone Company where they have competition at present, and the rates charged by the Mutual Company or the Home Company, or by whatever name it is known in each particular instance, since it commenced business. Those figures show as follows?

In Des Moines, Iowa, the mutual company has 1,200 telephones. I have not the figures showing the number of 'phones of the Bell Company. The committee will bear in mind that we are said to have here, all told, including those telephones used by the Government, about 2,200 telephones in use.

Mr. BINGHAM. You are referring to Des Moines, Iowa?

Mr. BIRNEY. Yes; Des Moines, Iowa, shows 1,200 telephones by the Mutual Company.

Mr. BINGHAM. How large is Des Moines?

Mr. BIRNEY. I do not know the population, but they have 1,200 telephones. I think the population has little to do with it. The number of telephones on the exchange is the principal item to be considered in this connection. They have there 1,200. The Bell Telephone Company there charges $54 for business and $36 for residences. The Mutual Company, with 1,200 telephones, charges $24 for business houses and $18 for residences, and pays 5 per cent of its gross receipts to the city.

In Toledo, Ohio——

Mr. BINGHAM. How big is Toledo?

Mr. BIRNEY. I do not know the population. There are two companies there. The Harrison Company has 450 subscribers and the Central Union Company 2,200. The Harrison Company, I think, is the Bell licensee. The Harrison Company charges $72 for the metallic circuit for business houses, and the Central Union Company charges $60. For residence rates the Central Union Company charges from $24 to $54.

In Grand Rapids, Mich., the Bell Company has 1,500 phones——

Mr. BINGHAM. How big is Grand Rapids?

Mr. BIRNEY. I can not give you the population.

Mr. BINGHAM. You do not make any comparison so far as population is concerned?

Mr. BIRNEY. No; I think the number of telephones is the important thing. That is what has been insisted upon by the telephone companies as the important thing. In Grand Rapids, as I said, the Bell Company has 1,500 subscribers and the Citizens' Company has 2,500 subscribers. The rates for business there are $36, and for residences, $24. In Indianapolis the Central Union Company has 2,600 subscribers. The business rates are $72 and the residence rates $54.

In Fort Wayne the Central Union Company has 3,000 subscribers—800 more than we have here in Washington, and its rates are $36 for business and $24 for residences, and they pay 10 cents per annum per pole to the city.

Mr. PITNEY. You do not know how many poles there are there?

Mr. BIRNEY. No, sir.

In Detroit—and the figures in this city I will bring more elaborately to your attention—the Detroit Company has 4,750 subscribers, that is, outside of the Bell Company's 2,200 subscribers, as I am informed, although that may be an excessive statement for their subscribers. I know the Bell people claim 2,200. The Bell Company charges $36

there for business houses and $24 for residences. The Detroit Company charges $50 for business and $25 for residences. Before the competition, I may say—before this company was organized two years ago—the Bell rates were about as they are here. I will give them in detail presently.

In Richmond, Va., the Bell Company has 1,180 subscribers, and the Richmond Company 1,350. Before competition the Bell Company charged $60 for business and $40 for residences. They charge now $30 and $18. The home company charges $36 for business and $24 for residences.

In Augusta, Ga., the Bell Company—I do not know the number of telephones it had—used to charge $66 for business purposes. The Automatic Telephone Company came into competition there, and, as I understand it, now have about 850 telephones in use, and the rates charged by the Automatic Company are $36 for business and $24 for residence. The Bell Telephone Company at that place now only charges $30 for business and $18 for residences, and it has substantially given up business there, as I am informed. I understand the Bell Company has substantially gone out of business at that place.

Mr. ALLEN. What did they charge at first?

Mr. BIRNEY. Sixty-six dollars; and the Automatic Company is doing business there now at $33.33 per phone.

In Chillicothe, Ohio, they have been having precisely the same contest and excitement that we are having here, and the rates were reduced. That is a small place, to be sure, but the home company now charges $24 for business and $18 for residence.

At Roanoke, Va., the Bell Company formerly charged $48 for business and $30 for residence. The Citizens' Company came in there, and it charges $30 and $20, and the Bell Company now charges $20 and $18.

Mr. BINGHAM. Right in that connection, will you give us, so it will come following along, just exactly the charges here?

Mr. BIRNEY. The charges for metallic circuit here——

Mr. BINGHAM. Giving service and number and cost, just to get it in that grouping of figures.

Mr. BIRNEY. That, of course, we can get with much more accuracy from Mr. Bryan. We have been obliged to count the number of names in the telephone book here to ascertain the number of phones in use in that way, and I can state besides——

Mr. BINGHAM. That you will give in connection with this?

Mr. BIRNEY. Yes.

Mr. BINGHAM. I want the comparison to appear.

Mr. WILSON. I suggest that he inform the committee in this connection whether the service he has been talking about is overhead or underground service, whether the lines are in conduits, or whether they are on poles?

Mr. BIRNEY. I will do that as far as I may after a little.

Now, let me submit the case in Detroit, which is one of the few large cities in the country, a city approximating Washington in size, where the experiment has been tried. In all these cities given yesterday by the Commissioner, as the result of the inquiries by his department, no competition exists. Those cities are large cities, but there is no competition. I now offer to the committee the result of the experience in Detroit. This covers the whole situation. Here is the original letter from the governor of Michigan, Governor Pingree, dated February 18, 1898, to the gentleman who was engaged in the litigation—Mr. William Danenhower—in answer to a letter from him. It is proper for me to say that it appeared from a subsequent letter that Governor Pingree

is the president of both of the telephone companies alluded to in his two letters—one, this Detroit City Telephone Company, and the other the State Telephone Company.

He says:

COMMONWEALTH OF MICHIGAN, EXECUTIVE OFFICE,
Lansing, February 18, 1898.

Mr. WILLIAM DANENHOWER,
Care Hotel Fredonia, Washington, D. C.

DEAR SIR: Replying to your telegram of the 15th instant, would say that I have obtained the following information for you relative to telephone matters in the city of Detroit, and trust the information will be of service:

First. Two years ago the telephone rates in Detroit were $72 per annum for business on the ground wire of the old Blake transmitter system. The rates for the same character of service for residence was from $50 up. These were the minimum rates for downtown districts, and there was an additional charge of $5 for every one-half mile additional distance from the city hall. The lowest rate for metallic service was $100, and from that up to $150, according to the distance from the central exchange.

Second. The new telephone company, or the Detroit Telephone Company, received its franchise from the city two years ago. This franchise provides for a business rate on three-year contracts of $40 per year and a residence rate on three-year contracts of $25 per year, no increase of price being allowed for distance from exchange. An additional charge of $5 was allowed on one-year contracts.

The system of the new company is what is known as the metallic, or long distance, as provided in the ordinance.

Third. The success of the new company has been remarkable. It has now over 6,300 contracts, and has already installed 4,800 telephones.

The central exchange accommodates 6,000 subscribers. One subexchange has already been opened with a capacity of 1,000 additional subscribers. Two other substations are now being built, each with a capacity of 1,000 telephones.

Fourth. The new company uses a very fine equipment, upon which it pays no royalties. The telephones and switch board are manufactured by the Detroit Switch Board and Telephone Construction Company, which company owns the patents. This equipment is said to be superior to any in use.

Fifth. The ordinance under which the new company operates requires it to furnish to the city 75 free telephones, 25 of which are for the use of the public schools.

Sixth. When the new company secured its ordinance the Bell Company had about 4,700 subscribers. They have now about 2,200.

Seventh. The Bell Company made every effort to embarrass the new company, and endeavored to discourage the purchase of the new company's stock by published statements that an exchange could only be operated at a loss at the rates fixed by the ordinance; but as soon as the company was in successful operation the Bell Company reduced its rates to $36 for business and $24 for residence telephones in all parts of the city.

Very respectfully, H. S. PINGREE,
Governor.

P. S.—The new company has the enthusiastic support of the public and is reported to be well satisfied with its financial returns. It is now collecting over $40,000 each quarter for telephone rentals. It has issued $500,000 of stock and about $500,000 of bonds. After paying interest on its bonds, taxes of 3 per cent required under the State law, and all operating expenses and fixed charges, the company is now earning about 8 per cent on its stock. It employs about 125 telephone operators.—H. S. P.

Mr. BIRNEY. The secretary of our association, under date of March 5, 1898, was written the following letter by Governor Pingree. I see that I was mistaken in saying that Governor Pingree was president of the two telephone companies. That was a misapprehension. He quotes afterwards from the president. The letter is as follows:

COMMONWEALTH OF MICHIGAN, EXECUTIVE OFFICE,
Lansing, March 5, 1898.

Mr. HENRY F. WOODARD,
Mertz Building, Washington, D. C.

DEAR SIR: Replying to your esteemed favor of February 25, would say that I wrote Mr. William L. Holmes, president of the Detroit Telephone Company, asking for information regarding that company, and quote from his reply as follows:

"Referring to your favor of the 28th ultimo, just at hand, I would say that the statements circulated about the Detroit Telephone Company and the New State Telephone Company by the Bell company and their agents are often very amusing.

"I inclose herewith a list of the subscribers of the Detroit Telephone Company, showing the contracted annual income.

"We have already actually installed over 4,750 telephones and are now earning about 8 per cent on our stock over and above the interest on our bonds and all cost of maintenance, taxes, etc. When we get all of the telephones in for which we have contracts our earning power will be handsomely increased.

"We have made a hard fight against great opposition and were unfortunate in starting our company in distressingly hard times, but notwithstanding these things our success has been phenomenal and beyond the expectation even of the officers of the company.

"There is not a word of truth in the alleged statements regarding the Detroit Telephone Company not making money.

"The New State Telephone Company, of which company, as well as the Detroit company, I am president, is also making money in a very satisfactory manner. These companies are entirely independent, except that they have an interservice contract, which is of advantage to both."

I inclose herewith the list of subscribers referred to. Shall be pleased to answer further inquiries at any time.

Very respectfully, H. S. PINGREE, *Governor.*

Mr. BIRNEY. If there be any doubt upon the accuracy of the information contained in the letters from the governor—he seems to have no earthly interest in the matter—perhaps a line from a newspaper on the subject would have weight. That information tallies with the information of the governor. It goes a little further, however, in one fact, stating, as it does, that all the wires are under ground in the business section of the city, "generally speaking, the half-mile radius, although extending much farther on certain important avenues."

As to the other statements, he exactly coincides with the statements of the governor.

Now, in connection with that statement, let me submit what is the present condition of affairs in St. Louis.

The Detroit system is what is known as the Kinloch system. Why they call it the Kinloch system I do not know, but that is what it is. The new company, it seems, is to operate that system, and is laying its plans in the city of St. Louis, as I am informed. In that city the Bell Telephone Company has until now been in undisputed control. The new company is not yet in operation. The Bell Telephone Company has charged from $100 to $450 for business houses and from $84 to $125 for residences. In that city the home company, authorized to use the Kinloch system—the system in use in Detroit—is constructing its plans and taking subscribers at $60 for business and $36 for residences, but is not yet in operation.

Mr. DOCKERY. Please repeat the rates charged by the Bell Telephone Company in St. Louis.

Mr. BIRNEY. From $100 to $450. I have not attempted to give the highest rates charged in the city of Washington. One hundred and twenty-five dollars is the charge to lawyers' offices such as mine. In fact, the charge to me is $135, subject to a discount of $2.50 per quarter if paid in cash in advance, which makes it $125 per annum. Other gentlemen pay largely in excess of that.

Mr. PITNEY. Are not the rates uniform for equal service?

Mr. BIRNEY. Well, sir, if it would be possible to classify the service, perhaps they are; but the company classifies it for itself.

Mr. PITNEY. Let us know the classification, so far as you have information, please.

Mr. BIRNEY. I would rather you would call upon others who are better informed for that information.

Mr. PITNEY. I wish you would give what attention you can to that and let us have the information on the subject, if you have not any information now.

Mr. BIRNEY. I think it will be found that the rates in many places

reach certainly in the neighborhood of $200. I am not extravagant in saying that.

Now, the thing that I wish to impress upon this committee is this, that in every instance where the competing company has been allowed to go in, whether the town be a large town or a great city, that in every instance where the Bell Telephone Company is forced into competition, the rates have been reduced to a point which would indicate that the rates fixed in this proviso which has just passed Congress are right.

Mr. PITNEY. Can you refer us to any company or companies now existing in the country whose competition would be available and feasible in Washington?

Mr. BIRNEY. There are two companies which are offering here now. One is the Automatic Telephone Company, which has its 'phones in successful operation in a number of minor cities, some twenty-three cities, I am informed. They are the smaller cities, Augusta, Ga., being perhaps the largest of them, so far as I am informed. That company has asked Congress to give it permission to use the streets of Washington, and the District Commissioners have, I understand, favorably acted upon that petition and recommended a charter. Another company, known as the Columbia Company, offers another system. It also desires to come into Washington, and I understand—I have not seen the bill which it presents to Congress—but I understand that in that it limits its charges to $50, and less than that.

Mr. DOCKERY. What system is that?

Mr. BIRNEY. That is, what is the name of it?

Mr. DOCKERY. Yes.

Mr. BIRNEY. The Western Construction Company ——

Mr. HEMPHILL. Mr. Koehling, of Chicago, is the chief promoter. I understand that it is operated under his name.

Mr. PITNEY. Has the Automatic Company an office here where they have a few telephones up for inspection?

Mr. BIRNEY. Yes, sir.

Mr. PITNEY. I have seen that.

Mr. BIRNEY. Of course they are not in a position under the legislation as it exists to-day to do any business, but they have set up an exchange which seems to operate successfully. I have a letter here from an expert who was sent from Baltimore to Augusta to examine the plant of the Automatic Telephone Company, and reported upon it as a wholly independent expert—as I understand, an expert and an electrician—who made a report extremely favorable to the company.

Mr. PITNEY. How long is the report?

Mr. BIRNEY. It is of considerable length.

Mr. PITNEY. Can you file a copy with us?

Mr. BIRNEY. Yes, sir; and I will be glad to do so. I will leave it with the committee.

Again, in that connection, I submit what appears in the Daily Telephonic News of March 5, 1898, as a part of the argument recently made before the New York legislature by one of the senators of that body upon a bill of similar nature to that which is suggested here. I may say that this telephone agitation, the agitation for lower rates, is going on from Maine to Texas and California. The insistence everywhere is that these rates are extortionate to the last degree, and everywhere they are complaining, and nowhere more than in New York City. Two bills have been introduced in the New York legislature recently, both being pressed by the trades league and board of trade.

Mr. PITNEY. But those bills do not propose a rate much lower than the rate now charged in Washington.

Mr. BIRNEY. That is because of the great number of subscribers. They have some 23,000 subscribers in New York City. I may state just there, again calling attention to that claim on the part of the telephone companies, that if $240 is a correct rate in a city having 23,000 subscribers, according to the claim made by the telephone companies touching this great increase in cost with an increase in the number of subscribers, in this city, where we have only about ten per cent of the number of subscribers that they have in New York, we should be charged infinitely less according to their own argument than they charge us now. We had, it seems, an experiment right here in the city of Washington——

Mr. BINGHAM. Right there—because I have not heard all the testimony and I want to get it in my mind and then I will not forget it—how many companies operate here?

Mr. BIRNEY. Only one.

Mr. BINGHAM. There is only one company here?

Mr. BIRNEY. Only one is permitted.

Mr. BINGHAM. And the operations only cover 2,200 subscribers?

Mr. BIRNEY. Yes, sir.

Mr. BINGHAM. That is all I wanted to know.

Mr. BIRNEY. And in that, General, I think you will find are included all the phones in use in the Government buildings. There are, perhaps, 1,500 or 1,800 subscribers. The statement is made in this paper—and this paper is devoted to telephone news; it covers the charges made in New York and the enormous profits made there—the statement is, in six years ending in 1887 the Metropolitan Company made a profit of 473.91 per cent on its original investment of $600,000. The capital of the Metropolitan Company in 1887 was $3,300,000. There had been no increase for several years. The earnings for the year ending September 30, 1894, were $2,182,454; for the year ending September 30, 1895, $2,449,194; and for the year ending September 30, 1896, $2,800,000. This shows an increase in earnings in two years, between 1894 and 1896, of $617,546, on the same capital. In January, 1897, the capital of the New York and New Jersey Telephone Company was $1,861,000, in round numbers. The earnings of that company for the year ending September 30, 1896, were $627,000. The capital of the Bell Telephone Company in 1897 was $1,000,000. Its earnings in 1896 were $494,500. In 1895 its earnings were $446,530. In 1894 the Interior Department in Washington paid the Bell Telephone Company from $60 to $125 each for 61 telephones, which, together with the salary of the operator at the central station, aggregated $4,883, being an average of a fraction over $75 per annum per instrument. The next year, 1895, the Department put in a telephone system of its own, consisting of 144 lines, connecting various buildings in the city. They were attended by the same operator at the same salary as formerly, and in addition to this an electrician was employed to keep the lines in order, at an expense of $300 per year. Estimating the interest and depreciation of the plant, the cost of each telephone is now $10.75 per year, a saving of over $64.25 on each instrument in use. In other words, the Department of the Interior performs for itself the same service at one-seventh the charge formerly made by a private corporation for the same thing.

That this has come about through efforts of just the kind that are now

being made here is evident to us from letters we have received from every direction. From Roanoke, a little town down here in Virginia, whose size I do not know, but it has 400 telephones, comes this letter to one of the newspapers in Washington:

For several years past the Bell monopoly has been operating in Roanoke, with a tariff of $48 for business houses and $30 for residences. One year ago the citizens pleaded with that company for a reduction of rates, but the Bell people were obdurate and refused to make any reduction. A meeting of the citizens was held, a committee appointed, and negotiations entered into with the Interstate Telegraph and Telephone Company for a competing service. A local company was formed, which is now giving us an up-to-date service, in every way superior to the Bell, for $20 for residences and $30 for business houses, with unlimited service and long-distance connections at a nominal price. Absolutely no restriction is placed on the subscriber in the use of the 'phone. Result: The Bell people now offer residence 'phones at $12 per annum, business houses at $20. But the people of Roanoke are true to the new company, which is rapidly increasing its list, now having nearly 400 subscribers.

From another little town in Ohio—Chillicothe—I quote from one of their newspapers as follows:

Where ignorance is bliss "'twere folly to be wise." The Cincinnati Commercial-Tribune boasts that Cincinnati has the "best telephone service in the world," costing from $30 for a residence to $125 for a business house per year. Having frequently tested the Cincinnati telephone, we want to say that Chillicothe has a better service at $18 per year for a residence and $24 for a business house. If the Commercial-Tribune wants to enjoy its high-priced 'phone, though, we don't know why we should object. This talk of superior service was the stock in trade with which the Bell company endeavored to scare out the people of Chillicothe, but, from the day it started, the home company has given the best service. The better service of Central company was mere visionary stuff to cloak an excuse for exorbitant charges.

In Richmond the fight is just over, and the new company is in operation, after a severe contest. From Mr. Cowardin, of the Richmond Dispatch, I read as follows:

In answer to your favor just to hand, I would say that the Southern Bell Telephone charges $30 per year for business houses and $18 for residences, but I believe they will take subscribers for even less than these figures, rather than not get them. They have about 1,180 subscribers.

The Richmond Telephone Opposition Company, which received the council's franchise, and which you denominate the "Independent Company," charges $36 per year for business houses and $24 for residences. They have between 1,350 and 1,375 subscribers.

There is an ordinance with respect to underground wires, but it has not become operative as yet, and neither company have any underground wires that I know of.

Trusting this explanation is sufficiently explicit, and with best wishes, I am,

Yours, very sincerely,

W. B. COWARDIN.

Mr. PITNEY. Have you any information what the rates were in Richmond before competition?

Mr. BIRNEY. Yes, sir; $60 for business houses and $40 for residences, as stated here in my table.

The Bell Company is doing business at just one-half the rates for business houses formerly charged, and that is one of the remarkable features of the result of our investigation, that whenever the Bell Company has come into competition—or to put it properly, whenever another company has been permitted to come into competition with the Bell Company—the prices have not only been reduced in the way indicated, but in every instance, except possibly in Augusta (as to that my information is not complete), the Bell Company has continued to do business at the same stand in the same way as it did formerly at the reduced rates. It has accepted them and continued to do business. And it is that which induces us very largely to believe that the Bell

Company can give to the citizens of Washington the same service which it is now giving at the rates which have been suggested. They are not in excess of what are charged elsewhere.

Mr. DOCKERY. What rates are suggested?

Mr. BIRNEY. The rates given in the appropriation bill which has just passed the two Houses. It gives, if I remember correctly, a flat rate of $50, which may be charged——

Mr. PITNEY. Fifty dollars where only one 'phone is on a circuit, and $40 where two 'phones are on the circuit?

Mr. BIRNEY. Yes, sir; and that would allow a telephone for $50 for residences.

The CHAIRMAN. What is the rate charged now for residences?

Mr. BIRNEY. For unmeasured service I think $72 is the lowest rate.

The CHAIRMAN. And what is the rate for business service?

Mr. BIRNEY. Except in cases of excessive charge, for metallic circuit $125 and for grounded circuit $100. On the face of the contracts it is $135 and $110.

Mr. PITNEY. You say on the face of the contract the present charges are $135 and $110, but you get a discount of $2.50 per quarter for payment in advance. Is that discount expressed in the contract, or is it only a matter of practice with the company?

Mr. BIRNEY. I think that it is expressed in the contract [examining contract]. Yes; it appears in the contract, "a discount of $2.50 will be allowed on this contract if payment is made in advance, as stipulated, before the first days of January, April, July, and October of each year."

One of the facts which has come to our knowledge in pursuing this investigation is that where the Government has taken control of this service, in every case, so far as we have any knowledge, the prices have been reduced to a very low figure.

Mr. PITNEY. Do you mean the United States Government?

Mr. BIRNEY. No, sir; the United States Government has not taken control in any case. I mean the foreign governments. I have already laid before the committee the only instance I know of of the Government control by the United States. That is this small system being used by the Interior Department, connecting the various departments, and I have shown the reduction caused through the taking in charge by the Government itself of that small system.

I will say that Government control is complete, as we understand it, in Germany, in Norway and Sweden, and in France. The rates in France I have not, but I understand they are very low. Telephones appear there in almost every house. In Berlin the annual charge, as shown by the Electric Engineer of January 27, 1898, for telephone service, has been $37.50. The paper I refer to says that that service will in future be replaced by a yearly rental of $12.50 for the apparatus, plus the small charge of 1 pfennig (about one-fourth of a cent) for each conversation by private persons, and 2 pfennigs for business men and firms, and 3 pfennigs for clubs and cafés, etc. Business men are strenuously opposed to the proposal that they be charged more than any others.

Mr. PITNEY. Business men, you say, are opposed to that?

Mr. BIRNEY. Business men are strenuously opposed to the proposal that they be charged more than others.

The CHAIRMAN. That applies to all telephones?

Mr. BIRNEY. Yes, sir.

Mr. BINGHAM. That is controlled by the Government?

Mr. BIRNEY. Yes, sir.

Mr. PITNEY. That is in Germany, you say?

Mr. BIRNEY. Yes, sir; in Berlin.

Mr. PITNEY. Is it operated the same way elsewhere in Germany?

Mr. BIRNEY. My understanding is—I may be incorrect, but my understanding is—that the whole system in Germany is under the control of the Government; that they regard it as similar to our postal system, and as a matter which should be under governmental control, and they have taken control of it. Why it is that charges of that kind can be made and the system supported, if not more than supported, in a city so large as Berlin, when we should pay such prices as are paid here, is past my comprehension, if it be shown that the prices here are fair prices.

Mr. BINGHAM. Have you any exhibit as to the result of this administration?

Mr. BIRNEY. No; but I think I can get it. I will endeavor to do so. This examination has been hasty, and we have been obliged to communicate with a good many cities. In some cases replies have been coming in very slowly, and in some cases we have received no replies at all.

Mr. DOCKERY. You cited the charges for telephone service at various points. Having come in subsequent to the beginning of the examination, I may be covering ground already gone over. I understand this service is all overhead-wire service in the cities you cited?

Mr. BIRNEY. No, sir; not in Detroit.

The CHAIRMAN. Not wholly?

Mr. BIRNEY. Not wholly, but I think it will be found——

The CHAIRMAN. Nearly so?

Mr. BIRNEY. Yes, sir. In Detroit all wires are underground in the business section of the city, generally speaking—the half-mile radius—although extending much farther on certain important avenues.

Mr. DOCKERY. Can you state to the committee the relative cost of constructing and operating the overhead and underground wire system?

Mr. BIRNEY. I would prefer to leave that to an expert. I may say that I have not any material which could be regarded as authentic on that, but the understanding of the committee is that the relative cost is as 1 to 20; that where it costs $1 for the underground system, it costs $20 to maintain the overhead system.

Mr. DOCKERY. You mean the operating expenses?

Mr. BIRNEY. No; I mean for maintenance. You see the overhead system is subject to the elements, to storms.

Mr. DOCKERY. You say the cost of maintenance of the overhead system exceeds the cost of the underground system at the ratio of 1 to 20?

Mr. BIRNEY. Yes, sir; the cost of maintenance.

Mr. HEMPHILL. Not the cost of construction, but the cost of maintenance?

Mr. DOCKERY. But you have no figures as to the relative cost of construction?

Mr. BIRNEY. No, sir.

The CHAIRMAN. I apprehend that Mr. Dockery's question was intended to cover the operating expenses—not the current expense, but the expenses of construction and operation of the two systems—the relative expense.

Mr. DOCKERY. My question has two phases. I asked the question whether he knew the relative cost of construction and of operating the underground and overhead systems.

Mr. BIRNEY. My answer referred to neither of those, but only to the cost of maintenance of the plant.

Mr. DOCKERY. What do you mean by maintenance of the plant?

Mr. BIRNEY. I mean keeping it in order.

Mr. DOCKERY. You do not take into account salaries, etc.?

Mr. BIRNEY. No, sir; nothing of that kind. I mean the destruction through the elements requiring repairs—that that is so much greater in the overhead system than in the underground system; that when the wires are once laid underground they are not exposed to accidents and to the elements, as they are in the overhead system.

Mr. ALLEN. So far as the operating, then, when you take out the question of maintenance, that would be just the same?

Mr. BIRNEY. Probably so. You understand I am not an electrical expert. We have not had access to the books of the company.

Mr. DOCKERY. The gentleman will also understand from my question that I am not an electrical expert.

The CHAIRMAN. Is your committee in process of collecting data on these questions?

Mr. BIRNEY. Yes, sir. We are endeavoring from every possible source to get the information you desire, and I would be glad to furnish the committee the names and addresses of one or two electrical experts who, I think, could give the information desired.

An allusion was made yesterday to a report of December 31, 1891, showing the receipts and expenditures of the local company for the year ending December 31, 1890. This is the last report in detail which we have been able to get. In fact, as stated by Mr. Bryan yesterday, no report of the kind has been printed yet, so the information was not available. From that report, however, it appears that in that year, the allotment of the capital stock being $750,000 for this District, the exchange service of this company in both jurisdictions amounted to $366,973.11; the toll service amounted to $8,888.21; private line amounted to $29,995.16. There were other items, not directly connected with the service, such as messenger, $153.40; real estate revenue, $7,685.84; and miscellaneous, $5,245.80; making a total income from their telephone service of about $418,000.

In the report of the expert appointed by the legislature of Maryland to make an examination of the same company, which the committee have and which I have not, it will appear for the year 1891 that the two jurisdictions are about equally divided. An examination of that report will show the company's figures, making over $200,000 that was received in that year from the District. If my recollection serves me right, the receipts from the District of Columbia business were in excess of the Maryland business. The general expenses—what is meant by that perhaps can be better explained by Mr. Bryan than by anyone else—amounted to $67,152.66.

Mr. ALLEN. The expenses amounted to that?

Mr. BIRNEY. The general expenses. The operating expenses, by which is meant the actual work in manipulating the plant——

Mr. PITNEY. That is, you think that is what is meant?

Mr. BIRNEY. Yes; we do not know what is meant. The operating expenses were $41,509.13, as against over $400,000 taken in by the company.

Mr. ALLEN. Are you giving this for the two districts?

Mr. BIRNEY. The figures are necessarily for the two districts. Maintenance, $81,945.56; telephone rental and switchboard royalties,

$74,478.14; real estate expense, $3,808.02; interest, $32,830.62; messenger expense, $913.15; total, $302,637.38, which subtracted from the $418,942 revenue leaves a net revenue of $116,304.84. Dividends on capital stock, $79,500; and surplus, $36,804.84.

Mr. BINGHAM. What is the par value of the stock?

Mr. BIRNEY. One hundred dollars.

Mr. BINGHAM. What does it sell at now?

Mr. BIRNEY. My understanding from one of the brokers is that it sells from $54 and $59 to $60.

Mr. BINGHAM. What is the dividend?

Mr. BIRNEY. The dividend as reported, according to my best information, is 4 per cent.

Mr. BINGHAM. On what?

Mr. BIRNEY. On $2,600,000.

Mr. BINGHAM. Four per cent on par?

Mr. BIRNEY. Yes.

Mr. BINGHAM. Between 7 and 8 per cent on the selling value, then?

Mr. BIRNEY. Exactly. Now, it will be observed that in these charges for expenses the cost of operating was only $41,509, or less than 10 per cent—about 10 per cent of the total income—a little less than 10 per cent.

Mr. BRYAN. I can not let that go unquestioned. If Mr. Birney is speaking for the District, let him state explicitly that he speaks for the District, and if he speaks for the whole territory, let him testify to that, because, as it is, he is using language calculated to mislead, and I, as representative of the telephone company, can not let it go by unchallenged. I do not know where he gets his $41,000.

Mr. BINGHAM. What do you mean by the whole territory?

Mr. BIRNEY. I get it from your signed report—$41,509.13. A report signed by you.

Mr. BRYAN (replying to Mr. Bingham's question). I mean the company does business in the District and Maryland, and a portion of West Virginia.

Mr. BIRNEY. As I have already said, we have been unable to get the exact figures for each of these territories. We are able to get at the figures for Maryland—we have the receipts for Maryland, and then subtracting from the total receipts, we can get pretty near the receipts in the District of Columbia.

Mr. DOCKERY. I desire to know whether you can state the capital stock of the Baltimore company, the amount of cash actually invested there, the total receipts of that company, the total expenditures of that company, the dividends paid, and the surplus fund, if any?

Mr. BIRNEY. I think you will find in the report of that expert all those figures.

Mr. DOCKERY. Can you give me the same information as to the District of Columbia? First, the capital stock——

Mr. HEMPHILL. The capital stock covers the whole territory.

Mr. DOCKERY. The whole territory?

The CHAIRMAN. Yes.

Mr. BIRNEY. Yes; and therefore it becomes necessary to take it, on what is stated by Mr. Bryan, that they do not keep on their books any account of the expenses as between these different sections.

The CHAIRMAN. In this connection I would like to ask whether or not the charges elsewhere are uniform with those in the District. That would be a good question in that connection.

Mr. BIRNEY. As I have stated, we find that not to be true. In 1892 the Maryland legislature passed quite a comprehensive act, which I have here, which fixed the rate for telephone use.

The CHAIRMAN. Have you given specifically what those rates were?

Mr. BIRNEY. No, sir; I have not. The highest charge was $6.50 per month. That was the act of 1892, as found in the laws of Maryland, 1892, page 535. Section 232 provides:

SEC. 232 A. No individual company or corporation, now or hereafter owning, controlling, managing, or operating any telephone line or lines within the limits of any city, town, or village in the State of Maryland, shall charge, collect, or receive as rental for the use at any and all hours of the day and night, of such telephones and lines connecting with a central exchange or point of communication through which conversation may be held, over all other lines connecting with such exchange or point of communication, in such city or town, any sum exceeding six dollars and fifty cents per month, when one telephone only is rented by one individual, company, or corporation, located within a radius of two miles from the central exchange, and one dollar additional per month for every additional mile distant from said exchange; where two or more telephones are rented by the same individual, company, or corporation, located within a radius of two miles from the central exchange, the rental per month for each telephone so rented shall not exceed five dollars and fifty cents per month, and one dollar per month for every additional mile distant from said exchange: *Provided*, That the individual, company, or corporation, desiring to use such telephones and lines shall agree to contract for the use of such telephones and lines for a period of not less than six months.

The CHAIRMAN. Can you tell us about the charges in Maryland with reference to the maximum rate?

Mr. BIRNEY. In 1894 the legislature passed another act, probably with a special reference to metallic-circuit instruments. In that they reaffirmed their former legislation as to all instruments then in use, and provided that for their use there should be no increase from the rates provided by the act of 1892; but the act also provided that any person, firm, or corporation might contract in writing, or partly in print and partly in writing, and not otherwise, with any individual, company, or corporation then or thereafter owning, controlling, managing, or operating any telephone line or lines within the limits of the State of Maryland for such special form, description, and amount of telephone equipment and service, expressed in such contract, as such firm or corporation might need, at such rates and upon such terms and conditions as might be agreed upon between the parties to such contract. That was to permit the metallic circuit to be introduced, and I understand that the grounded service since then has grown steadily worse, so persons who subscribed at $78 have been going over to the metallic circuit.

The CHAIRMAN. As a matter of fact, what do they pay in Maryland?

Mr. BIRNEY. Seventy-eight dollars for the grounded circuit and $100 for the metallic circuit.

Mr. ALLEN. Please explain the difference?

Mr. HEMPHILL. One is where the wire runs down into the ground and discharges the circuit there, and the metallic circuit is where it goes back on another wire, and you have a complete metallic circuit.

Mr. DOCKERY. In the one case you use the earth and in the other the wire?

Mr. BIRNEY. Yes, sir. The long-distance transmitter is attached to the metallic circuit, and it no doubt gives the best circuit. It is for the grounded wire that they charge us here $100; whereas they charge in Maryland for the same service only $78, and under the statute they are not permitted to charge any more than that.

The CHAIRMAN. Have you any knowledge of the service in West Virginia—what the charges are there?

Mr. BIRNEY. No, sir. We have received no information from that State. Our understanding has been that this company does not do very much business in West Virginia.

Mr. BINGHAM. Simply Maryland and the District of Columbia?

Mr. BIRNEY. Yes; certainly the largest business is done in the District and Maryland.

The CHAIRMAN. They constantly speak of business in West Virginia. Mr. Bryan can tell us about that.

Mr. BIRNEY. I have already directed attention to the fact that under the Detroit system the metallic circuit is the only one in use. The Automatic Company, which seeks to come in here—somebody has just handed me a copy of the bill—provides in terms that its service shall be the full metallic circuit, and each subscriber shall have unlimited use of the telephone supply.

Mr. HEMPHILL. Is that the bill pending?

Mr. BIRNEY. Yes, sir.

Mr. HEMPHILL. Why not just state the rates they propose.

Mr. BIRNEY. Section 3 provides:

That the said The Automatic Telephone Exchange Company, Limited, shall not charge to exceed $4 per month for each telephone in business places and $3 per month for each telephone in a dwelling house which shall be within a radius of 1 mile from the central exchange office of the company, nor more than $5 per month for a telephone employed for business purposes or $4 per month for a telephone employed for a residence outside of a radius of 1 mile and not exceeding 2 miles from the central exchange of said company; and for all telephones outside of said 2-mile radius and within the District of Columbia said company shall not charge to exceed $1 per month per mile on each telephone over and above the rates fixed for the 2-mile limit.

So, if it was within 2 miles, the charge would be within $48.

The following papers were submitted by Mr. Birney:

Extracts from statement of treasurer of Chesapeake and Potomac Telephone Company for the year 1891.

REVENUE.

Exchange service	$366,973.11	
Toll	8,888.21	
Private line	29,995.16	
Messenger	153.40	
Real-estate revenue	7,685.84	
Miscellaneous	5,245.80	
		$418,942.12

EXPENSES.

General	67,152.66	
Operating	41,509.13	
Maintenance	81,945.56	
Telephone rental and switchboard royalty	74,478.14	
Real-estate expense	3,808.02	
Interest	32,830.62	
Messenger expense	913.15	
		302,637.28
Net revenue		116,304.84
Dividends on capital stock		79,500.00
Surplus		36,804.84
		116,304.84

Telephone rates under competition.

City.	Name of company.	Number telephones.	Rates.		Taxes.
			Business.	Residence.	
Des Moines	Bell		$54.00	$36	5 per cent gross receipts.
	Mutual	1,200	24.00	18	Do.
Toledo, Ohio	Harrison	450	M.C.72.00		
	Central Union	2,200	Gd. 60.00	24 to 54	
Grand Rapids	Bell	1,500	36.00	24	
	Citizens	2,500	36.00	24	
Indianapolis	Central Union	2,600	72.00	54	
Fort Wayne	do	3,000	36.00	24	10 cents per pole.
Detroit	Bell		36.00	24	
	Detroit	4,750	50.00	25	
Richmond, Va	Bell	1,180	a 60.00 b 30.00	a 40 b 18	
	Richmond	1,350	36.00	24	
Augusta, Ga	Bell		a 66.00 b 36.00	 b 24	
	Automatic		33.33		
Chillicothe, Ohio	Bell				
	Home		24.00	18	
Roanoke, Va	Bell		a 48.00 b 20.00	a 30 b 12	
	Citizens	400	30.00	20	

a Before competition. b Now.

In St. Louis the Bell Telephone Company has been in undisputed control, the charges ranging from $100 to $450 for business houses, $84 to $125 for residences. A home company, authorized to use the Kinlock system, in use in Detroit, is constructing a plant and taking subscribers at $60 for business and $36 for residences, but is not yet in operation.

Attention is also directed to foreign rates. In Berlin, Germany, the system is under Government control. The rate of $37.50 is now reduced to $12.50, plus 1 pfennig per message for residences, 2 pfennigs for business, 3 pfennigs for cafes and clubs.

In Toronto, Canada, the rate is $45 for business, $25 for residences.

In Sweden and Norway, where the Government controls the system, the rates are less than in Germany, being, as we are informed, about $7 per annum.

Minneapolis, Minn.: Northwestern Telephone Exchange. Subscribers, 2,500. Business houses, $72 per annum. Dwellings, $72 per annum.

Little Rock, Ark.: Two companies—Southwestern Telegraph and Telephone Company and Little Rock Telephone Company. Subscribers, 1,400. Business houses, $42. Dwellings, $30. Each company pays 50 cents per pole, making $1,100.

Milwaukee, Wis.: Bell Telephone Company. Number of telephones, 3,250. Business houses, metallic circuit, $120 per annum; $10 additional for each additional quarter of a mile. Grounded circuit, $72 per annum; $7.50 additional for each quarter of a mile. Dwellings, metallic circuit, $72 per annum; $7.50 additional for each quarter of a mile. Grounded circuit, $50 per annum; $5 additional for each quarter of a mile.

Providence, R. I.: One company—Providence Telephone Company. Number of subscribers, 3,300. Business houses, $120 and $60 per annum. Dwellings same as above, with a discount to those who have a business connection of $20 on metallic circuit and $12 on grounded circuit. Pays the city 1½ per cent on gross rental receipts.

Bridgeport, Conn.: One company—Southern New England Company. Number of subscribers, 900. Business houses, $72 to $120. Dwellings, $29 to $48.

Hartford, Conn.: Southern New England Company. Business houses, $75 and $125. Dwellings, $38.

Baltimore, Md.: Two companies—Chesapeake and Potomac and Home. Number of subscribers, Chesapeake and Potomac, 2,500; Home, 1,250, increasing daily. For business houses: Chesapeake and Potomac, $78 grounded circuit, $125 metallic circuit; Home, $48 for metallic circuit. Dwellings: Chesapeake and Potomac, $42, limited to three calls daily; Home, $36, unlimited. Tax, $2 per pole, $3 per yard for conduits, and regular tax on stock.

Richmond, Va.: Two companies—Richmond Telephone Company and Southern Bell Company. Subscribers to Richmond Company, 1,650; to Bell Company, 1,650. Business houses: Richmond, $36; Bell, $30. Dwellings: Richmond, $24; Bell, $24. The Bell Company used to charge $60 until the Richmond Company was started.

Alexandria, Va.: Two companies—Bell Company and Home Company. Number of subscribers, Home Company, 140; Bell, 132. Business houses: Bell, $48; Home, $36. Dwellings: Bell, $30; Home, $24. Each company pays the city $100 per year.

Atlanta, Ga.: Two companies—Southern Bell and Atlanta Standard, now putting in a plant. Subscribers, 1,800. Business houses, $60. Dwellings, $50.

Nashville, Tenn.: One company, the Bell. Subscribers, 2,000. Business houses, long distance, $84; ordinary, $66. Dwellings, $60, long distance; $48 ordinary. Company pays the city $1 per annum for each telephone in use.

Memphis: One company—Cumberland Telephone. Subscribers, 1,800. Business houses, $60 per annum. Dwellings, $50 per annum.

Joliet, Ill.: One company—Chicago Telephone. Number of subscribers, 450. Business houses, $24 to $60 per annum. Dwellings, $18 to $42. Paid taxes last year $1,400, and gave 25 free telephones to the city.

Bloomington, Ill.: Two companies—Home Telephone and Central Union. Subscribers, 1,200. Business houses, $24, within 1 mile from office. Dwellings, $18, within 1 mile from office. Give free telephones to the city.

Decatur, Ill.: Two companies—Bell and Citizens' Mutual. Number of subscribers, 100 each. Business houses, $36 and $72. Dwellings, $18 and $36.

Lafayette, Ind.: Two companies—Bell and Harrison. Number of subscribers, 1,200. Business houses, Bell Company, $18; Harrison, $30. Dwellings, Bell, $12; Harrison, $18.

Springfield, Ill.: One company, Central Union. Number of subscribers, 1,200, Business houses, $48. Dwellings, $30. City pays one-half rates for its telephones.

Columbus, Ind.: Two companies. Number of telephones, 1,500. Business houses. $12. Dwellings, $8.

Frankfort, Ind.: Two companies, Central Union and Frankfort Telephone Company. Number of subscribers, 500. Business houses, $9.50 to $15. Dwellings, $5 to $9. City has free telephones.

Buffalo, N. Y.: Has one company, the Bell. Number of 'phones, 4,300. Rates on independent wires, $30 for 300 messages and upward. Reach 2,000 per annum. The rate for 2,000 messages is $130.

Norfolk, Va.: Two companies, Southern States and Bell. Number of subscribers, 1,800. Business houses, $30. Dwellings, $18. Each company pays the city $600 per annum and $1 for each pole in the city limits.

Erie, Pa.: One company, the Mutual. Number of subscribers, 750. Business houses, $40. Dwellings, $28. Metallic circuit used throughout. These are the prices for the Mutual Company. The Bell Company still exists, but they have all kinds of prices and nothing definite can be given as to them.

Thereupon, at 12 o'clock, the committee adjourned until to-morrow, March 11, 1898, at 10.30 a. m.

FRIDAY, *March 11, 1898.*

The committee of the House of Representatives appointed to investigate charges for gas and telephone service in the District of Columbia this day met pursuant to adjournment.

All of the members of the committee were present.

The CHAIRMAN. I have received the following letter from Mr. Bryan:

WASHINGTON, D. C., *March 11, 1898.*

DEAR SIR: I much regret that lameness and other indisposition will prevent me being present at the hearing before your committee to-day, and I also much regret to advise you that the company's counsel can not be present, inasmuch as a case in the court of appeals will demand all of his time from 10 o'clock this morning until noon. I therefore have to respectfully request that the committee excuse the company for failing to be represented at the meeting to-day, and to say that I trust that nothing will prevent our being present promptly at to-morrow's meeting, or such time as the next meeting of the committee shall be.

I have the honor to be, sir, yours, very respectfully,

SAM'L M. BRYAN,
President and General Manager.

Hon. WILLIAM W. GROUT,
Chairman Select Committee of House of Representatives, Charged with Making Inquiries Concerning Telephone Rates, District of Columbia.

STATEMENT OF MR. A. A. BIRNEY—Resumed.

Mr. BIRNEY. Returning to the question for a moment of the comparative statements, I present to the committee a letter just received in regard to Portland, Oreg., directed to the president of the Telephone Subscribers' Association, March 11, 1898.

WASHINGTON, D. C., *March 11, 1898.*

DEAR SIR: Replying to your inquiries, permit me to say that Portland, Oreg., has about 90,000 people. We have had a telephone company there more than a dozen years, and their charge for private houses was $60 per annum, and no limit to the number of messages you could send. Another company was established two years ago. Just before the new company commenced business the old company dropped its rate to $30 a year. Both companies, dividing the business, now make the same charges. I have no doubt whatever the older organization would be glad to get rid of the opposition, if it could, by reducing the charges to $24 per annum.

Both the companies are paying a good profit.

I have no doubt that your telephone company would pay good dividends, say 10 or 15 per cent, at the rates charged in Portland. Of course, if the stock is saturated with water, it might be necessary to squeeze out the water before this could be done.

Respectfully,

J. B. MONTGOMERY,
Of Portland, Oreg.

Col. O. G. STAPLES.

Mr. Montgomery was formerly mayor of the city.

I also submit a comparative statement of a number of other cities in which competition has been permitted, with a few following in which there is no competition, to show what I have endeavored to impress upon the committee as our principal argument, that wherever competition has been permitted, there rates have fallen. I have endeavored to name cities in which there were a considerable number of telephones in use, although some of the illustrations are of smaller places. In this list are two cities—one Lafayette, Ind., in which there are two competing companies, the Bell Telephone Company and the Harrison Company. There are 1,200 telephones in that city between the two companies. In Springfield, Ill., a city of about the same size as Lafayette, there are also 1,200 telephones. There is no competition there. In the first city, where there is competition, Lafayette, Ind., the rates for business houses are $18 per annum charged by the Bell Company, and $30 per annum charged by the Harrison Company, for residences the Bell Company charges $12 and the Harrison Company $18.

In Springfield, Ill., where there are also 1,200 phones, but only one company—the Bell Company—the rates, instead of being $18 for business houses, as the same company charges in Lafayette, Ind., are $48 for business houses and $30 for residences. In Lafayette, Ind., they only charge $12 for residences. And the other illustrations I give are of a similar nature. Illustrating again what we insist upon and urge most strongly as necessarily our principal fact for consideration by the committee, that wherever there is competition the prices have come far below what the Bell Company has insisted that it could conduct business upon and make a profit, and the prices are generally far below our proposed prices.

Now, passing from that consideration—merely of rates—I am prepared to answer Mr. Dockery's question of yesterday, which is perhaps of a good deal of importance, as to the relative cost of the two systems—the overhead and underground systems. I received this morning, rather

unexpectedly, a little pamphlet, which is issued by the Standard Underground Cable Company, operating in the principal cities of the country, its principal office being at Pittsburg, Pa.

Mr. DOCKERY. The Standard Underground Cable Company, you say? What kind of a company is that?

Mr. BIRNEY. It is a manufacturing company which provides plants and all the materials for plants, and contracts to build plants. Under the head of comparative cost per mile of overhead wires and cables, which I think is what is wanted, is a statement covering conduits and wires on poles. The first on poles. First, "50-wire line, 40-foot poles;" second, "100-wire line, 45-foot poles," and "200-wire line, 60-foot poles." I take the most expensive figures for the overhead system and quote. The details I will hand to the reporter, showing the items entering into the cost, the poles, the cross-arms, the wire, the pins, insulators, and all that. The cost for a 200-wire line with 60-foot poles overhead is $3,708.64 per mile. He then gives, after some remarks which I will presently read, a comparative table of costs of the various systems of underground, and taking the most expensive, that in cement-lined pipes, and giving the 200-wire conduit, it makes it $3,970.60, or just about $200 more per mile than the overhead system.

The following figures as to the relative cost of overhead and underground systems are taken from a book issued by the Standard Underground Cable Company, of Pittsburg, New York, Chicago, and St. Louis (to which I have referred), which is a late publication:

Telephone statistics of American Bell Telephone Company.

	January 1, 1896.	Increase over 1895.
Number of exchanges	927	60
Number of branch offices	686	114
Instruments under rental	674,976	92,470
Miles of wire on poles	260,324	28,316
Miles of wire on buildings	12,861	1,664
Miles of wire underground	184,515	36,230
Miles of wire submarine	2,028	172
Total miles of wire	459,728	63,054
Total circuits	237,837	25,763
Total employees	11,930	836
Total stations	281,695	38,263
TOLL LINES.		
Miles of pole lines	52,873	3,549
Miles of wire	215,687	35,130
Estimated daily exchange connections	2,351,420	.....
Estimated yearly exchange connections	757,000,000	.....
Average daily toll connections	51,123	.....
Average yearly toll connections	16,400,000	.....

The longest distance over which conversations are maintained is 1,625 miles, from Boston, Mass., to Memphis, Tenn.

OTHER TELEPHONE COMPANIES.

Telephone companies other than the American Bell are rapidly being organized throughout the country in very large numbers.

At the present time, however, there is no very definite information extant as to the number and equipment of such companies, and we do not give any statistics, as they would only be misleading.

Comparative cost per mile of overhead wires and cables.

[Thirty-five poles to the mile.]

Overhead wires, bare materials, etc.	50-wire line, 40-foot poles.	100-wire line, 40-foot poles.	200-wire line, 60-foot poles.
Poles, cedar	$131.25	$166.25	$455.00
Poles, setting	28.00	31.50	44.00
Cross-arms (10 pins)	61.25	122.50	245.00
Cross-arms, attaching to poles	17.50	35.00	70.00
Braces and screws	.60	1.20	2.40
Pins (1½-inch locust)	17.50	35.00	70.00
Pins, attaching to arms	2.60	5.20	10.40
Insulators	21.00	42.00	84.00
Insulators, attaching to pins	1.50	3.00	6.00
No. 14, B. & S. G. hard drawn copper wire	497.96	995.92	1,927.84
Labor, stringing wire	200.00	380.00	740.00
Total	979.16	1,817.57	3,708.64
LEAD-COVERED AERIAL CABLE.			
Thirty-five poles (30 feet)	$52.50	$52.50	$52.50
Labor, setting	24.50	24.50	24.50
One mile galvanized strand	20.59	20.59	51.22
Stringing same, including supports	52.00	52.00	52.00
One mile new standard cable, and installing same (complete)	1,214.40	1,636.80	2,428.80
Total	1,363.99	1,786.39	2,609.02

The prices of various materials used in the foregoing estimates are the average prices paid in various portions of the country, and are very closely approximate for the average conditions.

We have compiled the following table, showing the cost of installing 25 pairs, and 100 pairs underground cable, No. 19 B. & S. G., dry paper insulation, complete and ready for service, in conduits of three different types, these costs including also the cost of conduit and installation of same complete, under average conditions.

It should be remembered in comparing these costs that an additional duct could be laid at the time of making the original installation at an increased average cost of about 20 cents per foot, which will thereby render it possible to double the capacity of the system at any time that it may be necessary, with only the slight increase entailed in the cost of the cable itself and its installation, whereas in order to duplicate the original system of bare wires on poles the entire original cost of the overhead system will be again incurred.

Comparison of cost of various systems.

Style of system.	50 wires.	100 wires.	200 wires.
Bare wire, No. 14 copper	$979.16	$1,817.57	$3,708.64
Aerial lead-covered cable, No. 20 B. & S. G	1,363.99	1,786.39	2,609.02
Underground cable, No. 19 B. & S. G.:			
In creosoted wood conduit	2,217.60	2,640.00	3,484.80
In hollow brick tile	2,376.00	2,798.40	3,643.20
In cement-lined pipe	2,640.00	3,062.80	3,907.60

When it is considered in connection with these figures that the relative yearly cost of maintenance of overhead wires and overhead and underground cables is tremendously in favor of cables, namely, about 10 per cent for overhead wires, and from nothing to not over one-half

of 1 per cent for cables, the advisability of using cables becomes clearly manifest.

The CHAIRMAN. Does that close this subject?

Mr. BIRNEY. Yes, sir.

The CHAIRMAN. Now, I wish to ask you if in your statement with reference to Lafayette, Ind., and Springfield, Ill., in which you instituted a comparison, you have any information as to whether it is overhead or underground?

Mr. BIRNEY. I presume it is principally or altogether overhead, as it is in most of those small places.

The CHAIRMAN. That is an element, it seems to me—and I think the rest of the committee would think so—that is quite important for you to supply if you can.

Mr. BIRNEY. We will endeavor to do so. It is for that reason I have presented these statistics.

The CHAIRMAN. Mr. Birney's statement of that would indicate that there is no difference; but the telephone people claim that there is a large difference.

Mr. HEMPHILL. I think I can give you some facts on that from his own figures.

Mr. BIRNEY. That is a very substantial answer. Here is a firm, a manufacturing establishment, which provides supplies of just this kind and labor of this kind; it advertises in this that it will do this at about these figures.

Mr. DOCKERY. What is the name of that firm?

Mr. BIRNEY. The Standard Underground Cable Company, of Pittsburg, Chicago, and St. Louis, with the general office in the Westinghouse Building, Pittsburg.

The CHAIRMAN. But that contemplates a long time; that contemplates the expense of maintaining it for, perhaps, a considerable term of years.

Mr. BIRNEY. I do not know just how their contract reads.

The CHAIRMAN. Maintaining and operating, then?

Mr. BIRNEY. Oh, no.

The CHAIRMAN. Not operating, but maintaining, then?

Mr. BIRNEY. They install the plant.

The CHAIRMAN. Do they propose contracts for maintaining them? Because, you say, the relative cost of maintaining the overhead wires is much greater than the underground, and that compensates for the larger expense of putting in the underground in the beginning, so it is only to be equalized in a long space of time. Does this contract propose—does it contract—to maintain the underground through any fixed period of time?

Mr. BIRNEY. I do not know that it does.

Mr. STAPLES. I do not see, as long as these people offer to install this plant for these figures, and as long as the maintenance is a great deal less——

The CHAIRMAN. Do they offer to install it at the same price, or less?

Mr. STAPLES. Here are their figures.

The CHAIRMAN. But what is the price as compared with the overhead?

Mr. BIRNEY. I read those.

The CHAIRMAN. Please read them once more.

Mr. BIRNEY. Two hundred line-wire 60-foot poles, which is the largest system for which they give prices—the overhead system—$3,708.64 per

mile; for the underground system, a cement-lined pipe, $3,907.60. There is a difference of $200 a mile.

Mr. DOCKERY. I understand that you are simply giving here the relative cost per mile of installing the underground current and the overhead system. The matter of installation is, of course, independent of any other consideration?

Mr. BIRNEY. Yes.

Mr. DOCKERY. Then you claim that having installed the plant that the expense of maintaining the overhead system is very much greater than for maintaining the underground system?

Mr. BIRNEY. Twenty times as great.

Mr. PITNEY. From whom does this information come?

Mr. BIRNEY. A publication of the Standard Underground Cable Company, a large company.

Mr. PITNEY. Somewhat of a construction company?

Mr. BIRNEY. A construction company.

Mr. PITNEY. Does that estimate include anything for breaking, repairing, and relaying pavements, do you know?

Mr. BIRNEY. I do not know. I will get you the whole of it. It came only this morning, and I have not had opportunity to read through the book. If there is anything more throwing light upon it I will let you have it.

Mr. PITNEY. I wondered if it included earth excavations and refillings, and so on.

Mr. BIRNEY. I presume it does. While it does not say that it includes that in the laying of the conduits, it does include that in the overhead system, with which he is making a comparison. He gives the cost of the labor, and so on, there.

Mr. PITNEY. It costs very little more to lay the underground system than the overhead system, and much less to maintain the underground when it is once down?

Mr. BIRNEY. Yes, sir. The committee will understand that I have no personal knowledge about these matters, but I am only giving what I am able to glean from various sources.

The CHAIRMAN. Will you let me see the book?

Mr. PITNEY. While the chairman is looking at the book, let me ask you how many wires to the line?

Mr. BIRNEY. Two hundred. And he states what will be the additional cost.

The CHAIRMAN. Two hundred overhead?

Mr. PITNEY. Or underground either?

Mr. BIRNEY. It is the same either way.

Mr. PITNEY. For a line of less than 200 does he draw the comparison?

Mr. BIRNEY. Yes; 50 and 100.

Mr. PITNEY. Would there be as close an approximation in the cost of overhead and underground installation if the number of wires were, say, 50 on a line?

Mr. BIRNEY. He gives this exactly, sir; $970 for the overhead and $2,640 for the underground.

Mr. PITNEY. I supposed that would be the way of it. It does not cost much more for the underground construction for 200 than for 50, but overhead is increased practically in proportion to the number of wires?

Mr. BIRNEY. Yes; and the increase of cost of another duct would only be 20 cents a foot, which would double the system, practically.

Mr. DOCKERY. Let me see whether I understand the situation. This company is simply a construction company, an installation company. This company is not supposed to operate either the underground or overhead system after it is installed?

Mr. BIRNEY. No, sir.

Mr. PITNEY. The inference is this company furnishes figures which any company may avail itself of?

Mr. BIRNEY. Yes, sir.

Mr. PITNEY. Have you investigated to see whether they make any provision for this state of things: Suppose a telepone company wanted to send a line out on a certain street with 20 wires for the present time, and with the possibility of an increase up to 150 or 200 wires?

Mr. BIRNEY. It is stated that they can put in an additional duct at 20 cents, which will double the system.

Mr. PITNEY. I mean put in the duct originally.

Mr. BIRNEY. Yes; that is it precisely. Each conduit is divided into ducts, and they can put it in at 20 cents a running foot, which will double the capacity of the whole, making it 400 instead of 200.

Mr. PITNEY. Those wires are laid in cables, then?

Mr. BIRNEY. Yes.

Mr. PITNEY. The individual wires are bunched together?

Mr. BIRNEY. Yes, sir.

Mr. PITNEY. I am not sure that that system is absolutely successful. Does anybody know? Where they have combined telephone wires in a cable, do they not suffer from induction, and so on?

Mr. HEMPHILL. No, sir; I think not.

Mr. PITNEY. That is the system they pursue, anyway?

Mr. HEMPHILL. Yes, sir.

The CHAIRMAN. Do you understand this system to include anything for excavation, and removing sidewalks and replacing them, and so on?

Mr. BIRNEY. Yes, I understand that to be the cost of the underground system, which is practiced only in the cities.

The CHAIRMAN. Will you communicate with this company and ascertain if that is what they mean by this—whether they mean to include the expense of removing, excavating, and repairing the pavements?

Mr. BIRNEY. Yes; I will do that.

Mr. PITNEY. First ascertain whether the pavement consists of something like Belgian block, which can be replaced; second, whether it consists of asphalt, where a new pavement will have to be made above the trench.

Mr. BIRNEY. Yes.

Mr. PITNEY. Their statement here speaks of the comparative cost of overhead wires and cables, and treats of the materials. In the cost of the underground wire, however, he says nothing concerning the replacement of pavements. That information we would like to have.

Mr. BIRNEY. It however declares that the statement is made to accommodate itself to average conditions, and I have no reason to think that other conditions are more costly. I am supported in that statement of the cost, or perhaps I should say the durability, of the underground system by what appears in the report of the electrical commission of 1892. I did not bring it with me, because it was the only thing that appeared in the book which bears, I think, on this subject, although in many other respects the book is valuable. In that the statement is made that in New York upon an examination of the underground system by experts, after the wires had been down from nine months to a

year, not the slightest deterioration, either physical or electrical, was found in the wires. That was, however, in 1892. Conditions may possibly have changed, although I am not informed that that is so. I was able to glance only hastily at the statement of Mr. Bryan yesterday, of the extent of his franchise. But the committee will find, page 231 of the report of the Commissioners for the year ending June 30, 1897, a statement of the conduits and the number of ducts, and the number of wires in those ducts up to that date.

The CHAIRMAN. Let us see that, Mr. Birney.

Mr. BIRNEY. We may be able to embody that in the hearings without spending much more time on it. It agrees with Mr. Bryan's statements substantially, I believe.

The extract from the report of the Commissioners of the District of Columbia is as follows:

Upon their application, a permit was granted on June 2, 1897, to the Chesapeake and Potomac Telephone Company to repair their conduits on Fifteenth street, from manhole between O and P streets to and into alley between R and S streets NW., square 207; from east side of Fourteenth street, between G and New York avenue, west on New York and Pennsylvania avenues to Seventeenth street, thence to G street, thence to cable pole near corner of Twenty-second and G streets, with branch lines into alleys in squares 121, 160, 166, and 214.

This repairing consisted in abandoning the old cables laid in asphalt along the above routes, taking out the portions uncovered, and substituting multiple-duct terra-cotta pipe, thereby changing that portion of their underground construction from a solid to a drawing-in system. The work was supervised by an inspector from this office, whose services were paid for by the company. Work on the Fifteenth-street branch was begun on June 7, 1897, and finished on June 25, 1897. On the other branch it was begun June 12, 1897, and completed July 30, 1897.

The following table shows the length of conduit laid under this permit:

Length of conduit laid by the Chesapeake and Potomac Telephone Company under permit dated June 2, 1897.

Location.	Number of ducts.	Feet of conduit	Feet of duct.	Manholes.	
				Large.	Small.
Fifteenth street, from O to S street	6	1,543.4	9,260.4	5	.....
Into alley, square 207	1	169.6	169.6	.....	.....
New York avenue, from Fourteenth to Fifteenth street	8	560.6	4,484.8	5	.....
Pennsylvania avenue, from Fifteenth to Seventeenth street	8	1,675.9	13,407.2	7	.....
Seventeenth street, between Pennsylvania avenue and G street	8	224.3	1,794.4	1	.....
G street, between Seventeenth and Nineteenth streets	8	1,159	9,272	5	.....
G street, between Nineteenth and Twenty-second streets	6	1,558.5	9,351	4	.....
Nineteenth street, between F and G streets	2	150.5	301	.....	1
Into alley, square 121	1	133	133	.....	.....
Into alley, square 169	1	146	146.2	.....	.....
Pennsylvania avenue, between Seventeenth and Eighteenth streets	2	373.4	746.8	2	.....
Into alley, square 166	1	86	86	.....	.....
Into alley, square 214	1	247	247	.....	.....
Total	.....	8,027.2	49,399.4	29	1

Length of conduit in miles 1.52
Length of duct in miles 9.35

Conduits of the Chesapeake and Potomac Telephone Company, May 1, 1897. a

MAIN CONDUITS.				
Conduit.		Number of ducts.	Duct.	
Feet.	Inches.		Feet.	Inches.
76	0	72	5,472	0
176	3	64	11,280	0
748	9	56	41,930	0
1,534	5	40	61,376	8
26	0	36	936	0
465	6	32	14,896	0
304	6	25	7,612	0
2,072	1	24	49,730	0
26	0	20	520	0
1,576	3	18	28,372	6
636	0	17	10,812	0
5,824	9	16	93,196	0
212	0	13	2,756	0
4,963	2	12	59,558	0
114	0	9	1,026	0
14,470	2½	8	115,761	8
82	6	7	577	6
20,009	6	6	120,057	0
65	0	4	262	0
53,357	4½		626,131	10
BRANCH CONDUITS.				
2,943	7	2	5,887	2
14,616	6	1	14,616	6
17,560	1		20,503	8

a Furnished by the company.

Seventy-one thousand nine hundred and seventeen feet five and one-half inches of conduit, containing 646,635 feet 6 inches of duct; 13.5 miles of conduit, containing 122.5 miles of duct.

The removal of the main offices of the Postal Telegraph-Cable Company from F street, between Fourteenth and Fifteenth streets NW., to the north side of Pennsylvania avenue near Fourteenth street, necessitated building a short additional length of conduit to connect their underground system with their new offices. Under permit issued September 17, 1897, they laid 589 feet of four-duct terra-cotta conduit.

During the year a complete set of maps, covering those portions of the District in which there are underground conduits, has been made, drawn to a scale of 50 feet to the inch, on which the majority of the conduits have been carefully plotted. These maps form an invaluable record, and will be kept up to date.

The following tables are made up from data taken from these maps and from information furnished by the respective companies:

Summary of conduits, September 1, 1897.

Company.	Conduit.		Duct.	
	Feet.	Miles.	Feet.	Miles.
United States Electric Lighting Co.:				
Inside city limits	215,320	40.78	(*a*)	(*a*)
Outside city limits	12,329.8	2.33	47,431.4	8.98
Potomac Electric Power Co	55,875	10.58	597,354	113.13
Chesapeake and Potomac Telephone Co	79,944.7	15.02	696,034.9	131.82
Postal Telegraph-Cable Co	14,074	2.66	14,074	2.66
Western Union Telegraph Co	4,105	.77	4,105	.77
Metropolitan Railroad Co. *b*				

a Record not complete. *b* No record.

Mr. BIRNEY. The capacity of those conduits I do not know. I was unable yesterday to see an officer who could tell me, but it would not be difficult, if this statement which I have submitted from this manufacturing company be true, having the number of miles and the size of the ducts, to determine the cost of equipping the system. I suppose those ducts are considerably larger than the largest size given in this little pamphlet, but it would seem that $100,000, or $200,000 at the farthest, would be ample to equip the 15 miles of cable underground system, according to this statement. Fifteen miles of 200-wire ducts, with conduits, could be equipped under this statement at about $60,000. I now leave this subject of rates, calling the attention of the committee again to the fact that there are competing companies which ask the privilege of coming here to compete, and offer to do this work at about the rate indicated in the appropriation bill, or less. They offer, I believe, to give every guarantee which might be required by the Commissioners, such as the giving of an absolutely good bond, and guarantee for a long period that they will not only replace the pavements without tearing up in order to lay their ducts, but guarantee the success of their system.

There is, however, another objection which is made by the subscribers to the operations of this company. The complaint made is in regard to the character of their contracts and the way in which those contracts are construed. We insist that this company has been arrogant to the last degree in its treatment of the citizens of the District, and it has dealt with its franchise as if it was a private right and not in any sense a public right. Such a thing can not be maintained for an instant, and there has been a case brought up in the court, in which this company was a party, touching this matter. I presume this committee is fully familiar with the doctrine laid down by the Supreme Court of the United States, and that it is not necessary for me to take up the time of the committee in any discussion of this position, which would bear only on the right of Congress to make regulations for this company, although it is not chartered by Congress. The case of Munn *v.* Illinois, reported in 94th U. S. and decided by the Supreme Court, is sufficient answer to any contention which may be made against it. The case of the Baltimore and Ohio Railroad against the Chesapeake and Potomac Telephone Company—this very company—reported in 66th Maryland, contains a sufficient answer to every proposition which it seems to me can be made by the company against the right of the legislature to affect it, but I may say——

The CHAIRMAN. You would not, of course, claim the right of the legislature to fix any rates which might be destructive of the property; you mean any fair rate?

Mr. BIRNEY. Yes, sir.

The CHAIRMAN. The court is always at liberty to intervene and decide the fairness of the rate?

Mr. BIRNEY. Decide if it is destructive, yes; if it goes so far as to be confiscatory, then the court will intervene.

Mr. PITNEY. That is right. Since our conversation that we had some time ago, I looked up the decisions to some extent, and I have a memorandum of them, and perhaps it might be well to embody them in the hearing at this point.

The CHAIRMAN. I do not understand that there is any difference by jurists as to that question.

Mr. BIRNEY. I do not know what will be claimed, however, by counsel for the telephone company.

The CHAIRMAN. I can not but believe that they will admit that Con-

gress has the right to fix the rates—to make the rates fair—although of course their action must not extend to confiscation of the property. In other words, they must be fair rates.

Mr. BIRNEY. Yes.

The CHAIRMAN. I do not believe there is any difference of opinion on that score.

Mr. BIRNEY. Before we made any movement against this telephone company it was our desire, and our communicated desire to that company, to have a conference and attempt to adjust the differences between the company and the people. We were met in the same arrogant way in which the company has always treated complaints made by the people. We were utterly unable to do anything with them.

I was touching very briefly on the other complaints we have to make. One of them is that the contracts are so construed by the telephone company—which maintains, I may say, supervision over messages sent over its lines, having a girl or an operator to determine whether a message shall go or not—that they claim the right to exclude from the use of the telephone anybody but a subscriber, and to exclude a subscriber from every other telephone except the one in his own place of business, except upon the payment of 10 cents, which may be dropped into a slot machine or perhaps paid to the person whose telephone the subscriber uses. That works a great deal of hardship. Take the case of one of our coal merchants who sends out a great many wagonloads of coal. He sends his coal out by an ignorant and poor driver. He has the number of the house to which the coal is to be delivered. He perhaps goes a mile or two and finds he has the wrong number. He wishes to communicate with the coal office to learn what is the right number, and he is utterly unable to do it because he has not 10 cents to pay. He finds in order to learn where he is to deliver that coal, which may be four or five houses above the house which he has already visited, he is obliged to drive all the way back to the home office of the coal company, and there learn where the house is, and then drive back again. That sort of thing is going on every day; it is occurring constantly. One gentleman, who is a subscriber to the telephone, told me that learning some time ago of a fire out in Mount Pleasant, near his home, he sought to reach the nearest telephone there to communicate with his family to learn if the fire was in his neighborhood, and he was told to pay 10 cents, or that he would be charged 10 cents for the message.

The CHAIRMAN. But he had no means of making it known that he was a subscriber.

Mr. BIRNEY. Yes; he was telephoning from his own place of business. He was told that the message was not in relation to his business, and that if he wanted to telephone about something other than his business he could pay 10 cents. That sort of thing has made the people sore on the telephone company. I know one doctor who could state more fully than I could, perhaps, grievances of this kind that he has suffered from the company. He has suffered at times a great deal of annoyance in attempting to communicate with the hospital upon whose staff he is. Many troubles of that kind have been constantly occurring. Complaints of this sort of thing have been heard elsewhere as well as in Washington.

A statute in Maryland was passed which covers just this thing. The last part of section 232 to 232a of chapter 237 of the act of April 3, 1894, page 260 of this book, provides:

And provided, also that any person entitled to telephone service under the provisions of this section, 232a to 232f, both inclusive, but no other person, shall have the right and privilege to use, without extra charge, any other telephone equipment

with the consent of the subscribers to the last-mentioned equipment, and any individual, company, or corporation, or the officers and agents of any such company or corporation, and the agents of every such individual refusing or neglecting to allow such right or privilege shall be liable to indictment, and upon conviction thereof shall be fined for each offense not less than $50 nor more than $200, in the discretion of the court.

And in any legislation enacted by Congress hereafter, it will be the hope and wish of the telephone subscribers that something of that kind shall be incorporated.

Now, again, the question of secrecy in the telephone office is one of considerable importance. I have learned of a number of cases where important information has been immediately learned—important information communicated over the wires found to be common property, at least in the telephone office. I was informed last night (I am not at liberty to use the name of the gentleman who gave me the information, although he occupies an official position) that one of the most important transactions in which the Government ever engaged, in which the long-distance telephone was used between here and New York, was open in the way I have just indicated. He had first communicated with Mr. Bryan direct, and had been informed by him that the wire was at his exclusive use and was absolutely clear. He thereupon, after that full assurance, communicated with the correspondent in New York, called him up, and was put in communication with him, and in a few minutes afterwards he heard the conversation between two operators touching the very matter about which he had been communicating in New York.

The CHAIRMAN. In what office?

Mr. BIRNEY. In the telephone office.

The CHAIRMAN. Here or in New York?

Mr. BIRNEY. Here. That showing that the system which is in force in this office, there being a monitor to every certain number of operators, was in full use——

The CHAIRMAN. Was not closed off, if that is the correct expression.

Mr. BIRNEY. Was not closed off, and that sort of thing we find constantly in private communications of not so much importance.

Mr. PITNEY. Is that practically preventable in any other system than the automatic system?

Mr. BIRNEY. I am not informed fully, but in the Telephone News, a copy of which I produced to the committee yesterday, I have seen the statement that in Birmingham, and perhaps one or two other places in the South, the Bell Telephone Company itself is introducing a system insuring secrecy.

Mr. PITNEY. You had better give us pretty accurate information about that, Mr. Birney. We may consider the question of legislation which will make it possible for the subscriber to have a private conversation.

Mr. BIRNEY. I have it here. This little paper, which is printed in typewriter and sent out from New York each day, gives all the clippings from the various papers over the United States bearing on telephone news, and under the head of the "Hot Blast," a paper published at Birmingham, Ala., it speaks of a telephone system being put in there enabling private conversation.

The CHAIRMAN. It does not mention what the device or system is?

Mr. BIRNEY. No, sir. The total cost of the improvement is approximately $20,000.

Mr. PITNEY. Why don't you communicate with those people, or somebody down there, and find out what that system is?

Mr. BIRNEY. I will do so. I will communicate with the mayor of Birmingham and see if I can not get that information. It would seem from that that the Bell Telephone Company itself can put in such device.

The CHAIRMAN. I suggest you can communicate with the telephone company. You say you will communicate with the mayor of the city. That might be well, but you perhaps could get a more exact description of what this is if you communicated with the telephone company.

Mr. PITNEY. You might write to both.

Mr. BIRNEY. Possibly I might not get information from the Bell Company.

The CHAIRMAN. I think they would not only be willing, but that they would be anxious to have us understand that they are keeping abreast of the rest of the world on improvements of this kind.

Mr. BIRNEY. I had no knowledge about that until I saw that—that there was such a device in use.

Mr. PITNEY. When you have completed your statement of facts, Mr. Birney, with regard to what is the reasonable use of the telephone service, I want to ask you a few questions about your understanding of the law. Have you finished with your questions of fact?

Mr. BIRNEY. Yes.

Mr. PITNEY. This resolution authorizes this committee to inquire what ought to be fair and reasonable use of telephones by the persons and corporations renting telephones and those associated with them in business or otherwise and report their conclusions to the House at the present session, and that is the second branch of your statement. Now, I understand that the present contract, as construed by the Chesapeake and Potomac Telephone Company, limits the use of these telephones to the personal communication of the subscriber and his agents immediately connected with him in business upon his and their business, and you say they construe that as preventing such an agent or subscriber from calling up his own telephone from another place.

Now, supposing that to be so, supposing that to be the contract, the question is how far we have the right to regulate that matter. I understand you to contend, and we have not heard any contrary contention yet, that the doctrine of Munn *v.* Illinois and the other cases decided in the courts go to this question: That, notwithstanding a patent gives to the patentee and his assignees a monopoly of the invention and the right to use and manufacture, yet if the property comes into existence by virtue of such manufacture, and is placed in use in such manner that it thereby becomes a public use, it is impressed as a consequence with the usual incidents of a public use, namely, that the public are entitled to have the benefit of that use upon reasonable rates, to be prescribed, if any be, by the legislature, subject only to the right of the courts to interfere when the legislature goes beyond the question of limit of reasonable regulations, and extends to the limit where property is taken away without due process of law.

We can also, as you claim, and as probably will be admitted, provide for a uniform user, that there shall not be a higher rate charged to one man for the same service than to another. We can also, perhaps, provide for a reasonable user. Now, is there anything unreasonable in the telephone company making a contract which shall limit the subscriber's use to himself and to his immediate agents and to that one telephone? I do not say that a different price might not be made for such a use—for that advantage—for a use general in its nature; but I want to know your views as to the law in regard to the right of the legislature to prescribe the terms upon which any particular telephone

shall be used; as to whether we have the right to say they shall not make a contract which shall restrict the party to the individual use, so to speak, of the telephone.

Mr. HEMENWAY. The use of his own 'phone, you mean?

Mr. PITNEY. Yes; the use of his own telephone.

Mr. HEMPHILL. I think there would be no difficulty in the law at all.

Mr. BIRNEY. Let me tell you how it works with respect to a large number or a very considerable class of our people.

Mr. PITNEY. I think we have gotten a pretty good idea as to how it works in practice. The question is, What is the legal problem presented to this committee by reason of this state of facts?

Mr. BIRNEY. I do not think there would be any difficulty in the way of such legislation. Congress would be restrained only to reasonable rates. I think an unlimited use ought to be given to the subscriber, and if there were abuse of that right, the telephone company might refuse service; but there must be a clear, decided abuse in order to allow intervention by the courts.

Mr. HEMPHILL. Can not an analogy then be found in the railroads? They compel every railroad to take the tickets of every other railroad, and compel the railroad to transfer passengers, and they permit a railroad to run over the tracks of other roads by paying a certain rental. Would not that be an analogous case?

Mr. PITNEY. I was going to cite another analogous case; that is the case of a railway company selling a ticket which is not transferable. That is a reasonable practice. At least it is adopted generally, and is approved generally. We might say that they should not charge as much for a ticket not transferable, but can we prohibit them from selling a ticket which is not transferable? Can we prohibit a railroad company making a contract with John Smith to transport John Smith and no one else?

Mr. BIRNEY. I think so, unquestionably.

Mr. PITNEY. Is there any decision that goes that far?

Mr. BIRNEY. I do not think that has been before the courts.

Mr. PITNEY. You are aware no doubt of the different kinds of transportation that are sold. They charge the standard rate for an unlimited ticket, which is transferable or salable. The man who buys it can sell it or give it away, and the railroads are accustomed to charge a less rate for a limited ticket, which is not transferable, but can only be used by the purchaser. I have not had occasion to look into the question; I want to know whether that kind of a contract is within the control of the legislature to such an extent as to say it may be prohibited.

Mr. BIRNEY. I see no reason why it should not be.

Mr. HEMPHILL. I think that stands on a different plane in this way——

Mr. PITNEY. I would like to know whether it is an analogous case.

Mr. HEMPHILL. For this reason. The ordinary rate of transportation is 3 cents a mile. They agree to sell A B transportation for 2½ cents per mile, provided he shall not transfer it. That is a special contract for a special rate.

Mr. PITNEY. That is a special rate by the telephone company—say $50 for unlimited use—and if a subscriber will agree that nobody else shall use his telephone, then make it $40?

Mr. BIRNEY. Possibly.

Mr. PITNEY. Have we the right to prevent them from making that kind of a contract?

Mr. BIRNEY. We do not ask that, of course.

Mr. STAPLES. You see, Mr. Pitney, the question here is how much you have got; just how much you will stand squeezing. In the first place they gave us a rate of $60 a year for unlimited use; next they gave us a metallic circuit at $80 a year, unlimited in use; next they gave us a rate of $90 a year, unlimited use, and we stood that. Now what do they do? Now it is $125, and then they go a little further. What is next? They put in slot machines. They say, "You have too many calls." I have the telephone for my guests. If I had a monopoly in the hotel business I would not charge——

Mr. PITNEY. We have gotten past the point as to the right of Congress to limit the reasonable rates. That is conceded. The very fact that they have a monopoly with respect to using the streets for a franchise gives the right to Congress to limit their rates to reasonable rates. The question is whether we have the right to prohibit them from making any specific kind of a contract.

Mr. STAPLES. I am showing you wherein competition comes in. For instance, you can start at Congress Heights and ride to Chevy Chase for a nickel. They have not as good a franchise as the telephone, because they pay taxes, and the telephone does not. Then you can buy a ticket anywhere in the city, on any road, good on any other road. You can not do that with this 'phone.

Mr. PITNEY. As a matter of law it might be taken for granted that we have the right to say that for the rate which we provide, it being a reasonable rate, the company should make no limited contracts—that being a reasonable rate for unlimited service. That is not the question I asked Mr. Birney. The question is whether we have the right to say they shall not make any other kind of a contract, provided that is made on another reasonable rate, which reasonable rate we might fix.

Mr. STAPLES. I wanted to show where competition comes in. When there was one electric-light company, we paid 15 cents an hour for the current; but now we have another electric-light company, and the rate is only 5 cents a watt hour.

Mr. PITNEY. We gentlemen of this committee had something to do with that.

The CHAIRMAN. We claim the credit of having inaugurated it and fought it out for you, and you may be sure we will be reasonable in other things. Of course we do not want to do an unreasonable thing.

Mr. STAPLES. And we are perfectly willing to do what is fair and right.

Mr. PITNEY. There may be a line of adjudication which settles the question affirmatively or negatively upon the legislative right to prohibit this plan of limited contracts for a kind of public service.

The CHAIRMAN. To prescribe the kind of contracts they shall make and shall not make? Shall we reach that, practically, in the disposition of this question?

Mr. PITNEY. I think we might very well reach it. That is plainly within our scope under the resolution. It says, "Inquire as to a fair and reasonable use."

The CHAIRMAN. That is it.

Mr. PITNEY. I am not sure the people of the District would be satisfied with anything short of the prohibition of this restricted use.

The CHAIRMAN. Let me join with Mr. Pitney in asking you to submit any authorities bearing on that feature—the right to prohibit a certain kind of contract instead of saying how it shall be exercised. It strikes me we would not be called upon to deal with that.

Mr. PITNEY. Possibly not.

Mr. BIRNEY. That is my view; that Congress would fix a maximum for such use as is needed in large hotels or drug stores or the like, and would make that the maximum price that the company might charge, and persons in places of that kind would be willing to accept it.

Mr. PITNEY. Could we do better than fix a maximum rate for an unlimited use, and then insert a proviso that for a limited use a reasonable rate should be charged, less than that, and no discrimination should be made as between different persons having the same sort of telephone?

Mr. BIRNEY. I think that would hardly be right, because the use in some places would be so far in excess of other places that the rates would not be near each other. For instance, my office would not have more than three or four calls a day. The use in my office would hardly compare with the use of a telephone in a large establishment where there might be 100 calls a day, or where the telephone might be almost constantly in use.

Mr. PITNEY. That point would be met by providing for a limited annual rental for an unlimited use, and providing for a rebate for a less rate in proportion to the number of calls.

Mr. BIRNEY. Something of that kind. I think I have submitted to the committee——

Mr. PITNEY. Right in this connection, you might state the views of your association in regard to the amendment which I had the honor to move upon the District bill in its passage through the House, which was adopted by the House, and which has since been consented to by the Senate, so, if the bill becomes a law, it is presumed that will remain in it. I would like to have your views as to that, as to the rates, and as to anything else in the amendment.

Mr. BIRNEY. We think the rates are fair, except, perhaps, a distinction should be made between residence and business purposes, which is the general custom and practice, as you will see from what we have submitted here, in the different cities of the country. That is, a flat rate of $50 for a single wire we think is a fair rate as the maximum price for business houses, but that would probably be excessive as to telephones in residences, and there is no distinction made, I think, in the proviso, between business houses and residences.

Mr. DOCKERY. You think the $50 rate for a single wire is about the correct rate for a business house?

Mr. BIRNEY. Yes, sir.

Mr. DOCKERY. And what, in your judgment, would be the correct rate for private residences?

Mr. BIRNEY. About $30.

The CHAIRMAN. Would you include hotels in business houses?

Mr. BIRNEY. I think there is no distinction between those in other cities; $50 should be the top limit.

Mr. PITNEY. Suppose you propose a schedule based on this idea: The maximum rate to be $50 for a single telephone circuit for unlimited use for any and all purposes, and a schedule of percentages by which to scale that down for different classes of more limited use.

Mr. BIRNEY. I will try to do that.

Mr. PITNEY. Charging so much for business houses, and so much for residences, and so much for limited use, and so on.

Mr. BIRNEY. I will endeavor to frame something of that kind which will meet the view of the committee.

I might submit a brief statement from the Philadelphia Times of December 17, 1897, in regard to the dividends declared by the Ameri-

can Bell Telephone Company. With the exception of that, I think I have submitted about all I care to say to the committee. This statement, I may say certainly, is within bounds. It is considerably within the figures given in the report of the Illinois labor commissioner in his report of 1897. The statement from the newspaper is that the American Bell Telephone Company's extra dividend of 1½ per cent makes 63 per cent declared in excess dividends by the company since 1884, in 21 payments, besides 12 per cent per annum in regular quarterly payments. From 1888 to 1891 the company paid 12 per cent annually; in 1892, 15 per cent; in 1893, 18 per cent; in 1894, 16½ per cent; since then, 15 per cent annually. That differs from the report of the labor commissioner of Illinois, in that he says that from 1888 to 1891 the company paid 18 per cent instead of 12 per cent, as given in this statement.

Mr. PITNEY. Now, if you will consider the capitalization of the company——

Mr. BIRNEY. Of the American Bell Telephone Company?

Mr. PITNEY. Yes.

Mr. BIRNEY. That is $26,000,000, I think. Is not that correct?

Mr. PITNEY. What contributions went in to make up that capital you do not know, I suppose?

Mr. BIRNEY. No, sir.

Another thing to which I want to call your attention is that we are informed that the Western Electric Company, which is a manufacturing establishment in Chicago, from which the Chesapeake and Potomac Telephone Company gets its supplies, is owned by the American Bell Telephone Company; that it is altogether within the control of that company, and is for all practical purposes the American Bell Telephone Company under a different name. That resulted in this——

The CHAIRMAN. Do you mean owned by the company as a corporation or by certain persons owning stock in the company?

Mr. BIRNEY. I think you will find that the stock is owned by the American Bell Telephone Company, the same as the stock of this company here in Washington is owned by the American Bell Telephone Company.

The CHAIRMAN. A majority or the whole?

Mr. BIRNEY. As to that I can not speak with accuracy, but my understanding is that it is owned very largely or altogether owned by the American Bell Telephone Company.

The CHAIRMAN. Allow me to suggest that it might be well for you to ascertain definitely as to that.

Mr. BIRNEY. That is one of the very difficult things for us to do, as you are aware, and perhaps it would be impossible; and it is that sort of thing which we say holds the dividends down to the small amount which is stated in the report.

The CHAIRMAN. Of which company?

Mr. BIRNEY. Of the Chesapeake and Potomac Telephone Company, as well as the other licensees of the Bell Telephone Company. With its owning 55 per cent of the stock, having a number of the directors—perhaps a controlling number, I do not know as to that—officers of the American Bell Telephone Company, charging royalties to the very large extent stated in this report of 1891—it being there nearly 75 in that year—and supplying all the material and electrical supplies which the Chesapeake and Potomac Company use, we say the situation is this: That that company is able to simply say to the minority stockholders, "We will allow you so much on your stock, so much in dividends, and

all the rest we will take, either in the form of royalties, dividends, profits on our electrical supplies, or salaries." That accounts for those very large items which are found in this report of 1891, to which I have heretofore called your attention.

I thank you. I think I have laid before you what information I have been able to gather.

STATEMENT OF HON. JOHN J. HEMPHILL.

Mr. HEMPHILL. I am associated with Mr. Birney, representing the Citizens' Association here, and I see that he has so fully covered the ground that there is not very much more to be said. I think he has elucidated the subject very thoroughly.

Mr. PITNEY. Has he stated what the membership of the association you represent is?

Mr. HEMPHILL. I do not remember; it has a membership of about 1,200.

Mr. PITNEY. That many telephone subscribers?

Mr. HEMPHILL. Most of them are telephone subscribers.

Mr. BIRNEY. Either telephone subscribers or men who want to be, but who can not be at present.

Mr. HEMPHILL. Who are not able to get them at present.

Mr. BIRNEY. It has only been started within six weeks—less than that, within a month. That number is increasing.

Mr. HEMPHILL. This movement started out of litigation inaugurated by the telephone company against the Fredonia Hotel. The exactions of the company became so unbearable that the people got together. As Mr. Staples has said, the telephone charges were at first $60, and the company has gradually run the charges up to $125. I think it may be said that the Bell Telephone Company is the only company on the face of the earth that has never reduced its charges, but has continually increased them from the beginning to the present time. I have a statement here of the charges paid in other cities, but I will not detain you to read them, because they all bear out the assertion that wherever the Bell Telephone Company has control, it charges what the people will stand, and where there is competition it always reduces its charges. The result of competition has been to bring them down in every city to 50 per cent of what the original charges were; and the Bell Telephone Company, although it says it can not do business at a less rate than is charged here at the present, yet is doing business in all cities where there is competition, as I have said, at about 50 per cent of the charges in the cities where there is no competition.

Mr. PITNEY. One moment on that point. Of course your argument is that where such competition exists the Bell company continues to do business at lower rates. That argument you use to support your claim that rates should be reduced. There are two things we can do if we desire. We can either reduce the rates and do nothing more, or we can provide for competition and do nothing more, or we can provide for a reduction in rates and also competition. But you understand the practical difficulty about competition in the telephone service. The Bell Telephone Company is already here, with a large list of subscribers. If another company started up, the present list of subscribers would not abandon the Bell Telephone Company in a body; yet they would have to do so, or else have two telephones apiece. You can not get the same subscribers unanimously to go to another company.

Mr. HEMPHILL. As I understand, there are already 200 subscribers to another company.

Mr. PITNEY. The Columbia Company?

Mr. HEMPHILL. No; the Automatic Company.

Mr. PITNEY. Who represents the Automatic Company?

Mr. HEMPHILL. No one particularly is arguing for it, but Mr. Walbridge is interested in it.

Mr. PITNEY. Are you prepared, Mr. Walbridge, to make some definite statement?

Mr. WALBRIDGE. I said yesterday that I would prepare a statement in writing and send it to the committee.

Mr. HEMPHILL. Two years ago I endeavored to get a charter for a new company. We had between 3,000 and 4,000 subscribers on our list. My suggestion would be that they would fix a reasonable limit, and if they can not do business at that rate, then arrange that under those circumstances a new company shall be permitted by the Commissioners to enter into business in the District. We do not have any antipathy to the Bell Telephone Company. What we are after is reasonable service at reasonable rates. That is all we ask, so far as the Citizens' Association is concerned. If it can be brought about by fixing the rates of the present company, then all right. I have information to the effect that there are over 2,000 exchanges in the United States absolutely independent of the Bell Telephone Company's patents, with a large amount of capital invested, which is paying fair dividends in a large majority of cases, and that there are now some thirty or forty large manufacturing companies in the United States that are manufacturing telephone implements of various kinds which can be used in opposition to the Bell telephone.

Mr. PITNEY. And without infringement?

Mr. HEMPHILL. Yes, sir; without infringement. The Bell telephone patents, as originally granted, have expired, as we all know, and so has the patent on the Blake transmitter. The only telephone patent that the Bell Telephone Company now owns that is of any practical value is what is known as the Berliner patent, which is only a patent upon the transmitter and receiver together, which were originally patented by Blake, and who has made some limited modifications in them; and he filed his patent in the Patent Office, and it was hung up there for fourteen years. It is true the Supreme Court has held that they were not able to prove fraud in the matter of keeping this matter rolling along there—this application hung up for fourteen years—until the Blake and original Bell patents were about to expire.

The CHAIRMAN. When was this finally granted?

Mr. HEMPHILL. I think this was finally granted in 1891. And Mr. Miller, when he was Attorney-General of the United States, commenced proceedings to set it aside on the ground of fraud, and the Federal court of Massachusetts did decree that it was a fraudulent issue of the patent. The Supreme Court, however, overruled that decision.

The CHAIRMAN. It has now run half of its life?

Mr. HEMPHILL. No; not half of its life; it runs seventeen years, you know. It has not run quite half of its life. But it ran fourteen years there, and I think it is on its face a fraudulent patent, and we are paying them millions of dollars every year——

The CHAIRMAN. What is the character of the receiver used by these other companies without infringement—one that works as effectively?

Mr. HEMPHILL. Yes; no doubt about that. It is natural to suppose

that there could not be so many exchanges as there are—about 2,000—in the United States in full operation without it is giving satisfaction.

The CHAIRMAN. Have you learned with reference to the automatic system whether that works in every way independent of the Bell system?

Mr. HEMPHILL. It does, without a doubt, I think. I do not think the Bell people claim that is an infringement.

Mr. PITNEY. Do they claim it with regard to those other devices?

Mr. ALLEN. I think they have claimed all the time that any other telephone devices were infringements of the Bell patents. If I am correct in my idea, everybody that has been running other telephones has been threatened by the Bell Company. The Bell Company has been threatening to play wild with them after a while, and all that.

Mr. HEMPHILL. I have heard them make claims of that kind.

The CHAIRMAN. Any suits instituted?

Mr. HEMPHILL. Not that I know of.

The CHAIRMAN. That would settle that.

Mr. HEMPHILL. There is another system in the Interior Department, which communicates with the other Departments, that is manufactured by Mr. Koehling, of the Western Construction Company, of Chicago.

The CHAIRMAN. That is called the Columbia system?

Mr. HEMPHILL. No, sir. The Columbia system wants to do business here and use his patent. It is something that they desire, but they do not control the patent. It is controlled by this Western Construction Company. That has been in operation here four or five years; certainly three years, to my own knowledge, and I think if the Bell Telephone Company really believed it an infringement of their rights they would have proceedings contested in court.

Mr. ALLEN. Outside of the system spoken of in the Interior Department, what other Government buildings here have a system of their own?

The CHAIRMAN. That communicates with the other Departments. Now, let me inquire whether you know about the Government telephones connecting the Capitol with these Departments?

Mr. HEMPHILL. This one here is the Bell patent.

Mr. PITNEY. We are joined to the central office.

The CHAIRMAN. I refer to the—well, that is, the telegraph?

Mr. HEMPHILL. Yes; that is the telegraph.

Mr. PITNEY. Do these Department telephones join to the central office of the Bell Company?

Mr. HEMPHILL. No, sir.

Mr. PITNEY. Is it practicable to make connection between the two systems? Suppose this Columbia Company, for instance, should be permitted to come here, would it be practicable to connect that system with the Bell system?

Mr. HEMPHILL. I imagine not, sir, from what I understand.

Mr. BIRNEY. I think you will find that in New York they have divided the city into different districts; that is my impression.

Mr. PITNEY. But they are all under one system there?

Mr. BIRNEY. Yes, sir; of course.

Mr. PITNEY. The question is whether these different systems, or any of them, could be brought into communication with each other; whether a new system introduced into the city could be connected with the Chesapeake and Potomac, the existing system?

Mr. HEMPHILL. I can probably ascertain about that, but my impression is that that could not be.

Mr. PITNEY. Then the next question is whether either of these outside concerns, outside of the Bell people, could be gotten into communi-

cation with long distance; whether, when you wanted to use the long distance, you have to rely on the Bell service?

Mr. HEMPHILL. That would be one of the troubles we might run against.

Mr. PITNEY. Then I would like to hear from your committee again as to the question of law, which we have already referred to; whether there have been any decisions on that point.

Mr. HEMPHILL. Very well.

Mr. BIRNEY. If we can regulate them at all, we can regulate them as we have the railroads.

Mr. PITNEY. You may find the company interested may take a contrary view.

Mr. STAPLES. There is a man now in the city that offers to put a line to the National Hotel, or Willard's, or anywhere else, at $5, provided I can get the right to string the wires. There is no difficulty about the patent at all.

Mr. HEMPHILL. Maybe I can complete what little more I have to say. Mr. Birney has given you the rates of this company. I have here a speech made by Simon Stern, of New York. Mr. Pitney, I have no doubt, knows him. This speech was made before the New York legislature, in which he gives the rates in other cities—in foreign cities. For instance, he gives the rate in Vienna, and he fixes there the charges. The rates of subscribers are very low, varying from £5 a year in small towns to £7 10s. and £8 5s. in Vienna and the larger towns. That is in Austria.

Mr. ALLEN. That is for business houses?

Mr. HEMPHILL. Of all kinds. The very highest is £8 5s. in Vienna. You have already heard the rates for Berlin. I have a later speech made by Mr. Stearn, in which he has the cablegram statement of his brother, Mr. Louis Stearn, in London, giving the rates there. In London, according to this cablegram from Mr. Louis Stearn, the rates for telephones range from $85 to $100, and these are the prices within any area within those 730 square miles of that city. The company pays 10 per cent, and the English post-office department has the tax for doing business in that city. And so we have now before us the rates in this country, and we have the rates in some foreign countries, and there is no comparison between the rates here and the rates in all the foreign cities. There it probably ranges from 50 to 60 per cent lower than ours.

The CHAIRMAN. Do you know under what patent they are working?

Mr. HEMPHILL. Under the same thing.

The CHAIRMAN. The Bell patent?

Mr. HEMPHILL. Yes, sir; the Bell patent. There is one very important point about this whole business, and that is, as I have said, the Bell Telephone Company is capitalized at $26,000,000. It pays from 15 to 18 per cent. Its sole possession is the one Berliner patent. That is all it owns, so far as we have been able to gather, except the stock it gathers from the smaller companies, the licensees of the American Bell Company, and the royalties it gets from them. In Philadelphia they have paid a royalty, and I presume they still pay it, of $10 a year on the transmitter and $10 a year on the receiver. That is $20 a year for each instrument. I suppose the whole of that instrument together would not cost to manufacture over $2 or $3, and they last, I suppose, twenty or twenty-five years. So far as my experience goes, there have never been any new ones put in here.

Mr. Bryan, I suppose, has laid before you the report of the commis-

sion in the Maryland legislature setting forth that it is impossible for him to do business at any other rates. If you will examine that report you will find that there was an old company in Baltimore which, according to the statement here, was a rather shabby concern. This report was made by Mr. Tompkins, an expert. As to the value of the plant in Baltimore, the report to the Maryland legislature states, page 10—

That prior to 1889 the company did little in the way of reconstruction of its lines, confining its work to such repairs only as were necessary to keep the lines in working order. The original construction was poor, and the plant rapidly deteriorated. Since 1889 the maintenance expense has greatly increased, and considerable reconstruction has been required.

For this plant, alleged to be so poor and rapidly deteriorating, the present Chesapeake and Potomac Telephone Company paid, in 1883, $1,900,000 of its fully paid capital stock, of which the American Bell Telephone Company received $630,000 for franchise, and the venders of the Baltimore company received $1,270,000—that is, the Bell Telephone Company, as I understand it, had transferred to this company first these rights, whatever they were. Then this new company, the Chesapeake and Potomac Telephone Company, buys it out, and they give back to the Bell Telephone Company $630,000 of stock fully paid, and then they give to the old company stockholders $1,270,000 for a plant which cost originally only $300,000, and which, according to the statement of this very expert, was practically useless and worthless.

Now, of course, if they go and give that large amount of stock to the stockholders of an absolutely worthless concern, why they can not carry on business without taxing us very heavily, if they are going to pay dividends, we understand. But what we object to is that we should be compelled to pay a dividend on $1,900,000 given for something that is absolutely worthless.

Now, another thing is that they reserved in that company $100,000 of what you might call treasury stock. Subsequently they disposed of that as follows: $62,600 to the American Bell Telephone Company for existing contracts, and the balance, $37,400, sold for the sum of $24,000.

Mr. PITNEY. For existing contracts?

Mr. HEMPHILL. Yes; for existing contracts; that is, I presume, the Bell Telephone Company had some sort of a contract with the original company in Baltimore, and after they had given them $630,000 for the franchise, and bought all of its rights, they turned around and gave them $62,600 for existing contracts; and we have been paying on that since 1883. Now, as explained by Mr. Birney, this thing, of course, keeps working around between these various companies, and we have to pay the piper.

Mr. PITNEY. There is one question I would like to ask you and Mr. Birney. Some reference has been made to a contract between the Western Union Telegraph Company and the National Bell Telephone Company, the predecessor of the American Bell Company, a contract dated November 10, 1879, providing among other things for a certain annual payment from the Bell people to the Western Union Company. I find that contract expired by its own terms on the 1st of November, 1896, and I want to know whether there has been any subsequent contract made by supplementing to it, or by an extension of its time. Do either of you gentlemen know?

Mr. HEMPHILL. I do not know now, sir; we might be able to ascertain. There is some further information I would like to call to the committee's attention.

The CHAIRMAN. The hour for adjournment has arrived.

Mr. WALBRIDGE. I have refrained from saying anything with the exception of the statement I made yesterday. Two bills are now pending. We should be happy to appear before you orally or to present before you in a detailed and succinct form what we claim and what we desire. We desire to do what is most agreeable, either to make an oral statement or simply to present a written statement.

The CHAIRMAN. It would be well for you to prepare a written statement——

Mr. ALLEN. I suggest that he first make as succinct a statement as possible in writing and then come here and perhaps the committee may question him.

The CHAIRMAN. That is no doubt the best course to pursue.

Thereupon, at 12 o'clock, the committee adjourned until to-morrow, March 12, 1898, at 10.30 o'clock a. m.

SATURDAY, *March 12, 1898.*

The committee of the House of Representatives appointed to investigate charges for gas and telephone service in the District of Columbia this day met pursuant to adjournment.

All of the members of the committee were present.

Personally appeared before the committee Hon. J. J. Hemphill, Mr. S. M. Bryan, Mr. A. A. Birney, and Mr. Jere M. Wilson, attorney for Mr. Bryan.

Mr. WILSON. Mr. Chairman, before Mr. Hemphill begins his statement I want to call the attention of the committee to a statement made by Mr. Birney, so that the committee can take action upon it if desired. In the statement of Mr. Birney he charged that communication between persons was not properly guarded in the central office, and he cited the case of an official who had received permission to use the wires between Washington and New York on a very important matter. This official communicated with Mr. Bryan, and was informed that the wire to New York was clear for his exclusive use. After transmitting his message, he said that he raised the receiver and he heard two central office employees discussing the very information which he had communicated.

When a statement of that kind is made before the committee, and I assume it was so made, and is published to the world, I think it is due to the committee, and to the company, as well as to Mr. Bryan, that the name of the gentleman who made that statement should be known, and he should be subpœnaed to appear before the committee, so that we may know who he is and what his statement is, in order that we can meet it. I thought I would call Mr. Hemphill's attention to it, so that if he has any information of a more specific nature we desire that he shall produce it, so that if it is the desire of the committee you can ascertain from Mr. Birney who the gentleman was who sent this statement.

Mr. HEMPHILL. So far as my knowledge of the discussion by employees of the contents of the telephone message is concerned, I can simply say that I am not acquainted with the circumstances related by Mr. Birney and am not in possession of any additional information upon that point.

The CHAIRMAN. I will say for the committee that we will take this matter under consideration, and if deemed wise will make some future order or direction concerning the subject.

STATEMENT OF HON. J. J. HEMPHILL—Continued.

Mr. HEMPHILL. Mr. Chairman and gentlemen of the committee: When you adjourned on yesterday I was discussing in a brief way the figures and the conclusions embodied in the report of a commission appointed by the Maryland legislature, in which an expert undertook to set forth and did set forth the amount of capital stock which was properly apportioned to that part of the plant of this telephone company lying in Maryland and the District of Columbia, and from which statement it appears that $1,900,000 of the capital stock of this Chesapeake and Potomac Telephone Company is set off for the Maryland plant, of which the American Bell Telephone gave $630,000 for the franchise of the original telephone company and the Maryland company got $1,270,000 of stock. Of this amount $100,000 was retained by the trustees for the benefit of the new company and was disposed of, giving the American Bell Telephone Company an additional amount of $62,600, and the remaining $37,400 was sold for the sum of $24,546; so that, according to this statement, this was about all the cash that was received by the present Chesapeake and Potomac Telephone Company from this $1,900,000 of stock which is now outstanding and upon which dividends have been paid since 1883.

Deducting $1,900,000 from the $2,650,000 which is the present capital stock of the Chesapeake and Potomac Company leaves $750,000, which is set off in this statement as the portion of the capital stock alloted for the District of Columbia. We have no official data as to how much money was actually spent in the District of Columbia, but, if I understand correctly, this Chesapeake and Potomac Telephone Company became the purchaser of an old company which was formerly here, and the capital stock of which was $100,000. How much was paid in money and how much was water we are unable to tell, but $750,000 was the amount allowed to the present Chesapeake and Potomac Telephone Company, and if the Bell Company got the portion alloted to Maryland it received $250,000, making altogether about $950,000 that the Bell Company received in the shape of stock, for which it has not paid a cent. All that the Chesapeake and Potomac Telephone Company has received is the permission of the American Bell Telephone Company, on payment of rental, to use its instruments in this District. The Bell Company has no charter so far as this District is concerned, and neither has the Chesapeake and Potomac Telephone Company, nor has either of them any permission from Congress to do anything except to lay underground and overhead wires, as this company has done.

Mr. PITNEY. Have you examined the statutes so as to be able to say whether they have expressed or implied powers, and if so, from whence they have been derived?

Mr. HEMPHILL. No, sir; but I think we can furnish that.

Mr. PITNEY. Some allusion has been made to appropriation bills as the only authority, and I would like to know if there is any other authority.

Mr. HEMPHILL. We can give you official copies of the statutes relating to that subject, and also the statement of Mr. Bryan to the Senate subcommittee, that they had no original authority here at all, but simply came in and began to work as soon as Congress recognized them. We do not complain of that. The only thing we complain of is that we do not want to pay such excessive interest——

Mr. PITNEY. Congress has recognized this company and given it

rights, as I understand it. I do not suppose there is any dispute that the company is rightfully here.

Mr. HEMPHILL. Nobody doubts that. This Chesapeake and Potomac Telephone Company had nothing to sell to the Bell Company in the shape of charter, and the Bell Company transferred nothing except the right to use their instruments upon payment of rental; so that all the stock was given away.

Mr. BRYAN. The stock was not given away. Those who were blamed for their foolish investment in an enterprise which did not promise to pay any dividends originally had built up a business, and at that time they transferred 40 per cent of their business in this District. They had strung wires from the navy-yard to the end of Georgetown.

The CHAIRMAN. Under what laws?

Mr. BRYAN. They were squatters in the same way that the Postal Telegraph Company and the electric lighting companies were. No one had any right, not excepting the Western Union Telegraph Company, under the act of 1866. The Postal Telegraph Company did not accept that act until a few years ago. The electric lighting companies were enjoying the same privileges as we do, and no more, being organized outside—under the laws of the State of West Virginia.

The CHAIRMAN. Was the first telephone company organized outside?

Mr. BRYAN. I think so. Now, as to having given nothing in return for the stock, they gave in return all those years of labor, the risk of a business which had been established, and a plant which had been put in in all those years intervening between 1878 and 1883.

Mr. PITNEY. You got their physical property—the poles and lines and wires.

Mr. BRYAN. And the established business.

Mr. ALLEN. The use of those depended, to some extent, upon the forbearance of the legislative power, did they not?

Mr. BRYAN. We were here the same as the others, and had been permitted to do business until a decision of the court, in a case where cables had been cut at Fifteenth street and New York avenue, and we had supposed that we were under the order of the Commissioners, the same as in all other cases, and that we had full permission, and we were rightly underground and overhead, because we supposed that under the organic act the Commissioners had power to allow us to do these things under the general police power.

Mr. PITNEY. What decision have you to sustain that contention?

Mr. BRYAN. We have the decision of Judge James, rendered in 1888, the case of the Chesapeake and Potomac Telephone Company against the Safe Deposit Company, in relation to cutting the cables in the sidewalk at Fifteenth street and New York avenue.

Mr. PITNEY. Have you got the opinion in that case?

Mr. BRYAN. I can get it. The court decided against us on the ground that Congress never having specifically legislated on the subject the Commissioners had no right to order us there or permit us to go there, and as soon as that decision was made known I appeared before the appropriations committee, Congress then being in session, and succeeded in getting appended to the appropriation bill a provision which would permit the building of conduits, and which also limited the erection of overhead wires on streets.

The CHAIRMAN. Do you remember the year?

Mr. BRYAN. 1888; and the overhead wires on streets were prohibited by the same bill after the 15th day of September, 1888.

Mr. PITNEY. I have that provision here. In the District of Columbia

appropriation bill making appropriations for the year ending June 30, 1889, the following provision was contained under the head of "Telegraph and telephone service:"

The Commissioners of the District of Columbia shall not, after the 15th day of September, 1888, permit or authorize any additional telegraph, telephone, electric lighting, or other wires to be erected or maintained on or over any of the streets or avenues of the city of Washington, and the said Commissioners are hereby directed to investigate and report to Congress at the beginning of its next session the best method of removing all electric wires from the air or surface of the streets, avenues, and alleys and the best method of interring the same underground, and such legal regulation thereof as may be needed; and they shall report what manner of conduits should be maintained by the city of Washington, if any, and the cost of constructing and maintaining the same, and what charge, if any, should be made by the city for the use of its conduits by the persons or corporations placing wires therein, and upon what terms and conditions the same should be used when required so to do, and for such investigation $1,000 is hereby appropriated:

Provided, That the Commissioners of the District may, under such reasonable conditions as they may prescribe, authorize the wires of any District telegraph, telephone or electric lighting company now operating in the District of Columbia to be laid under any street, alley, highway, footway, or sidewalk in the District whenever, in their judgment, the public interests may require the exercise of such authority, such privileges as may be granted hereunder to be revocable, at the will of Congress, without compensation, and no such authority to be exercised after the termination of the present Congress.

Now, there was a subsequent provision in the appropriation bill following, or the second year after that. As to the status before that legislation, there was this condition, as I understand it, between your company and the electric-light company: That the electric-light company's wires, or certain portions of them, had been laid under ample authority; that appropriations were made for public electric lighting, and under that implied authority the Commissioners had given the necessary permits to enable the electric light company to lay the wires necessary to give public electric lighting. They had extended it for private lighting unlawfully, but there was an implied authority for the extension of the lines for public electric lighting. I do not know of any implied authority having existed enabling your company or its predecessor to extend its lines, giving your company or its predecessor any privilege of a similar nature.

Mr. BRYAN. I have not any knowledge of that. I have no recollection of anything of that.

The CHAIRMAN. How does it affect it materially whether the authority was just that which the electric light company had or a little different? It is only important for us to know, it seems to me, that they are here.

Mr. PITNEY. That is not the point of the present inquiry. The present inquiry is as to what valuable rights, if any, were possessed by the former company at the time of the reorganization.

Mr. BRYAN. We supposed that we had these rights from a proper source—from the Commissioners of the District of Columbia—and we had been so advised up to the time of the decision of Judge James, in 1888, that the Commissioners had the power to control this thing.

Mr. HEMPHILL. Was the capital of the original company $100,000?

Mr. BRYAN. I have the statement of Mr. Birney that that was the capital. That I have not looked into yet. I was sick all day yesterday, and I have not looked into that.

Mr. PITNEY. The long and short of it is that the new concern took from the old company the existing plant that was being operated, and which the new company had reason to believe was lawfully operated. That is about the size of it?

Mr. HEMPHILL. Yes. Now, the question is whether upon a mere

supposition of that character, which had no foundation in law, it was a proper thing to pay over to those people $750,000 in stock, upon which we, as subscribers here in the District, have been paying dividends for the last fifteen years—ever since 1883; and Mr. Bryan states now that when they bought this company it had 40 per cent of the business they have now. Now, the question arises, if, with $100,000, which we will assume was already paid in, they could build up 40 per cent of the business they have now, where is the need of giving $750,000 for 60 per cent more business?

Mr. BRYAN. We have not admitted yet that that was the capitalization.

Mr. HEMPHILL. No; you have not admitted it, but that is the statement we have, and unless you can prove to the contrary, it is the best information we have been able to get, and under any circumstances, we will compare it with the Baltimore or Maryland Company, where, according to an official report, the total capital paid out—not the total amount that the plant was worth when they bought it, but the total paid out by the original company in Baltimore, which was absorbed by the present Chesapeake and Potomac Telephone Company—was $300,000, and upon that they issued $1,900,000 worth of stock, six times or six and one-half times more than the original cost of the Maryland plant. And on the same theory exactly they would issue about $750,000—$650,000 to $750,000—in the District of Columbia. Now, a good deal has been said here about the enormous amount of money that is paid to establish one of these plants and keep it going. If you will examine this statement of the company's condition reported by this expert of the Maryland legislature, you will find that from 1885 to 1892, a period of seven years, they expended in aerial construction—that is, in the air—$127,000, and in 1889 they commenced putting their lines in Baltimore underground, and in three years expended $341,000 for conduits and cables, and $4,000 for a new and improved switchboard. To meet this outlay the company was obliged to issue bonds to the amount of $400,000.

So the actual improvements now that have been made by this compavy in the city of Baltimore for underground construction were made by the issue of bonds. It was not made by any money that the stockholders ever paid into the company, but was made by the issue of bonds. And the total amount now that stands against this large issue of stock is $24,546, for which a certain portion of the stock was sold, the original company's outlay of $300,000 in Baltimore, and the original company's capital stock here of $100,000. The balance of all this has been paid by an issue of bonds amounting to $374,000, actually issued according to Mr. Bryan's statement, and the surplus which has been derived from the subscribers to the telephone in the various parts of this company's territory.

In other words, they have been able to pay the Bell Telephone Company a large rental, and they have been able to pay the interest on these bonds. They have been able to pay dividends on $2,650,000 of stock; and in addition to that they have been able to expend large amounts in the construction and maintenance of their plant.

Mr. PITNEY. You are trying to get at the actual cost of the present plant?

Mr. HEMPHILL. Yes, sir.

Mr. PITNEY. Very well now; and I understand you to say that it is made up principally of two items, $100,000, which you, for the lack of better information, allow for the original value?

Mr. HEMPHILL. Yes.

Mr. PITNEY. And $378,000 since raised, for which bonds were issued?

Mr. HEMPHILL. Yes, sir.

Mr. PITNEY. Four hundred and seventy-eight thousand dollars that makes, and yet there have been large additions from year to year in the construction account taken from the current earnings?

Mr. HEMPHILL. Yes, sir.

Mr. PITNEY. That you have not estimated?

Mr. HEMPHILL. I can not estimate that exactly, although I think probably we can get at that in some measure from this statement furnished by Mr. Bryan in his letter in answer to the inquiry of the committee. He has, for instance: "Construction account in 1890, $311,000."

Mr. PITNEY. Was there an account for repairs in the same year?

Mr. HEMPHILL. It does not say anything about repairs. "In 1891, $182,000," and so on. You will have that before you here.

Mr. PITNEY. Suppose you foot it up, and make it a part of your remarks here.

Mr. HEMPHILL. I can do that, but what I want to impress upon the committee is that it is not fair that we should pay that sum in as subscribers to the company, and they should lay it out in their plant as improvements, and that we should be charged with dividends on that. What I am trying to get at is what we ought reasonably to pay dividends on; that we ought not to pay dividends on that which we have paid in there as surplus to this company.

Mr. PITNEY. Let us stop on that a moment. Suppose that for ten years, or whatever time it may be, in the past, they have been charged unreasonably high rates, and the subscribers have paid those rates, that they have used a certain amount of money out of their income thus derived in permanent betterment of the plant, our duty is simply to fix reasonable rates for the future, is it not?

Mr. HEMPHILL. Yes, sir.

Mr. PITNEY. I do not understand that it is within the scope of our investigation to penalize the company for excessive rates in the past. We have to take into consideration, with other matters, the actual value of the plant as it exists. We can not go back and say, "The company shall be entitled to no investments because those investments were derived from unreasonably high rates received," can we?

Mr. HEMPHILL. No. I think we are in this position——

Mr. PITNEY. Otherwise you give John Smith and Peter Jones, future subscribers to the company, the benefit of the money that James Robinson and Thomas Henry, the past subscribers, have paid.

Mr. HEMPHILL. My position about that is this: That a large amount of this construction account, for instance, may be the enormous commissions, or whatever it is, charged by the Bell Telephone Company, the owner of a majority of the stock of this company. You can see, for instance, take switch boards, which is a complicated piece of machinery and costs a good deal——

Mr. PITNEY. That is an independent inquiry.

Mr. HEMPHILL. But they put that in their construction account, as I understand it, and if they have charged them $50 or $100 or $200 profit on that, simply because they own a majority of the stock in this company, and the company was obliged to pay therefor, we ought not to be obliged to pay on that.

If this company is so hedged about with contracts with the Bell Telephone Company that it can not carry on its business, there are other companies that are ready to carry it on at a reasonable figure, and what we want to get at is a fair and reasonable rate.

Mr. PITNEY. That has suggested three lines of inquiry; I only wanted to get at the first one, and the other two are different matters entirely.

Mr. HEMPHILL. Now, here is what he claims, according to this report. Since August, 1883—this report to the legislature of Maryland was made in 1895—the company has expended for new plants $643,281; and then he adds in for buildings at St. Paul street, and so on, $132,000. Then he adds estimated cost of plant; that is, the old plant, $300,000, making a total of $1,075,000. I presume in that first $643,000 are included those bonds, because they went into the construction of the plant. Then that would leave $243,000 expended by them in twelve years for additional plant, because we ought not to be charged—it is not fair to charge us with this house, $132,000, nor ought we in justice to be charged with the cost of the original plant, $300,000, in Baltimore—because they may have wasted a great deal of money. We don't know how much they have wasted. People who buy machinery for manufacturing can not expect to earn a dividend for all time to come when the machinery is worn out and worthless. Therefore I say that the total expenditure, so far as this goes, was out of the earnings of this company, the whole of it, the $243,000 outside of the original stock that they gave for the plant they took from and outside of this building at the corner of St. Paul and Baltimore streets.

Now we would like to get at—what I would like to show by this, particularly, is that this business can be carried on at a good deal less expense to this city than is now being done, and if you will look on page 10 of this report to the Maryland legislature you will find that the average revenue per subscriber for exchange service in all Maryland, exchanges for the last five years, has been $84.03, and the question of the cost of the service was $68.15, leaving a profit for each subscriber of $15.88. Then the cost of the service for each subscriber in the city of Baltimore for the past five years—no, the average revenue was $87.29, and the cost of service was $68.37, leaving a profit for each subscriber in the city of Baltimore of $18.92.

Now, it so happens that some years ago, in 1888, there was what is known as the Ainsworth committee, appointed by the legislature of New York, and I will read you what profits they made:

The charges at that time for each telephone ranged from $60 to $150, and subsequently to $180 a year. The average profit in New York for each subscriber in 1881 was $39.84; in 1882, $71.19; in 1883, $91.05; in 1884, $72.82; in 1885, $81.15; in 1886, $80.33. Now this company figures out that they can not make a profit of more than $16 to $18, whereas the investigation in New York shows that they could, where they were charging from $60 to $150 per year for each subscriber, subsequently charging $180 per year—that they were making a profit ranging anywhere from $60 to $80 for each subscriber. So I think there must be something wrong in the report of this company that it can not make reasonable profits without charging so much here, and I think it is fair to say that if they can not do it they must let in somebody else who can do it.

Mr. PITNEY. In that report is the cost for each telephone figured on the basis of the nominal capitalization——

Mr. BRYAN. On the cost of maintaining it.

Mr. PITNEY. The odd $15 is the surplus?

Mr. HEMPHILL. Yes; that is the profit, as he claims. This New York company had a capital of $600,000 paid in, which compares rather unfavorably with the $2,650,000 for this small territory.

The CHAIRMAN. Are you referring now to the New York company?

Mr. HEMPHILL. Yes.

The CHAIRMAN. How many such companies are there in New York?

Mr. HEMPHILL. Only one.

Mr. PITNEY. New York City, you mean?

Mr. HEMPHILL. Yes.

Mr. PITNEY. Those figures are for what year?

Mr. HEMPHILL. For 1888.

The CHAIRMAN. Are you sure there is only one company there?

Mr. HEMPHILL. Yes. There are several stations, but one company has control of the whole city of New York.

Mr. PITNEY. They have a dozen central stations.

Mr. HEMPHILL. Yes. I will read here the profits they made on charges very little in excess of what we have here. This was the report made to the legislature in 1888 by the Ainsworth committee, to which I have already referred. This made a clear demonstration of what monstrous profits can be made on very much lower terms of toll service than those which are now exacted by the telephone companies. It was shown by them that the Metropolitan Telephone and Telegraph Company, which has control over the domain of the city of New York, 60 per cent of whose stock is owned by the American Bell Telephone Company of Boston and 40 per cent by the Western Union Telegraph Company, earned on its cash capitalization upward of $1,000,000 between 1882 and 1887, amounting to 190 per cent on the original investment, and that within a period of six years selected by the commission the net earnings exceeded $2,500,000. The net earnings for the year 1885 on the local business were upward of $642,000; that is to say, 100 per cent on the original capital of $600,000 cash invested in the business. These profits were made when the telephone rates were $125 and $150 a year and when the number of subscribers was below 5,000. The number of subscribers now is in excess of 10,000, and the rates in the majority of instances have jumped to $240 per year. Some conception may be formed, therefore, from these rates what the present rate of profit must be. It was shown before the same committee that in some years the net profits rose to 145 per cent on the actual cash capital.

I will read in another place as to what was disclosed by the Ainsworth committee's report: "The Ainsworth committee's report disclosed the fact that when the rate was very much lower than it is now, and the number of subscribers very much less, the same corporation whose rapacity we seek by the bill before you to check and control, made an average profit from each subscriber in 1881 of $39.84; in 1882, $71.19," and then it gives the figures which I have already submitted.

That investigation, which was carried into the books of the Metropolitan Telegraph and Telephone Company, and not based upon the statements of counsel, demonstrated that the net profits for these six years on the cash capital invested by that company amounted to 474 per cent, and that its net profits in 1885 exceeded the capital 116 per cent; that in 1886 they exceeded it 147 per cent, and in 1887 over 145 per cent.

Mr. PITNEY. You mean the annual profits were more than twice as much as the capital?

Mr. HEMPHILL. Yes, sir; this was while the telephone rates ranged from $60 to $80, and subsequently to $180 a year. At this time they had about 5,000 subscribers.

Mr. PITNEY. Five thousand?

Mr. HEMPHILL. Yes.

Mr. PITNEY. You must be wrong about that.

Mr. HEMPHILL. That is the report of the committee.

Mr. PITNEY. They have 24,000 now.

Mr. HEMPHILL. Yes; but at that time that was the amount, so stated here in this report. Now, in the London company——

The CHAIRMAN. London, England?

Mr. HEMPHILL. Yes; they acknowledged that receiving from $80 to $100 they made a net profit of 55 per cent, and they pay 10 per cent of that to the Government for the privilege of doing business—10 per cent of their whole profit, as I understand it—anyhow, 10 per cent to the Government and 10 per cent to their stockholders, and are laying up a large surplus.

Mr. PITNEY. They are paying their stockholders 10 per cent on the cost of maintenance, or on the capital invested?

Mr. HEMPHILL. On the actual money put into it, yes sir; that is my understanding.

Mr. WILSON. On the original investment?

Mr. HEMPHILL. Yes, sir; as I understand it, on the total amount of money invested.

Mr. WILSON. On the original investment?

Mr. HEMPHILL. Yes, sir.

Mr. PITNEY. That inquiry is significant, I think. Do you know whether that 55 per cent profit which I understand you to say is the annual profit on the investment——

Mr. HEMPHILL. Here is the way it is stated.

Mr. PITNEY (continuing). Relates to the original investment, or to the original investment plus accretions by addition to the construction account.

Mr. HEMPHILL. I will read it.

The London Telephone Company confesses to a net income of about 55 per cent on an average of $92 per subscriber.

I suppose that means 55 per cent out of the $92.

Mr. PITNEY. What it means is that 55 per cent is profit over and above cost of maintenance, I should think. The question is, What dividends that would yield on the actual investment.

Mr. HEMPHILL. Here is a plain statement as to the amount of dividends, and that is the Metropolitan Company—the English company—paying 10 per cent to its Government by way of royalty and 10 per cent to its stockholders, laying aside a large annual surplus.

The CHAIRMAN. But does its capital appear in the statement?

Mr. HEMPHILL. Yes, sir; $22,000,000.

Mr. PITNEY. For London, England, $22,000,000?

Mr. HEMPHILL. I would be willing to gamble that is not all cash investment.

Mr. HEMPHILL. No, sir; that is not all.

Mr. PITNEY. They pay $2,200,000 of dividends, then?

Mr. HEMPHILL. Yes, sir; that is what they do.

Mr. ALLEN. And lay up a surplus besides?

Mr. HEMPHILL. Yes, sir.

Mr. WILSON. In other words, we do not know anything about it up to date. I understand that that statement gives us no intelligent information as to the actual cash invested in the London plant.

Mr. HEMPHILL. No, sir; as to the actual cash, no, sir.

Mr. BRYAN. That can not give any adequate idea of the business in London. There is no telephonic system in the world, and I speak from a knowledge of the service, there is no telephone service where $2,200,000 can be declared as a dividend on exchange business.

Mr. PITNEY. On what kind of business, then?

The CHAIRMAN. What is your position? Do you doubt the correctness of the report?

Mr. BRYAN. Yes; because the report was made for a special purpose.

The CHAIRMAN. What paper do you read from?

Mr. HEMPHILL. I read from the speech of Mr. Simon Stearn, made in 1895.

Mr. PITNEY. Do you know Mr. Stearn; he is a pretty substantial man?

Mr. BRYAN. There are two of them. There is Simon Stearn and another one. I do not know which one this is. I know one of them.

Mr. HEMPHILL. This gentleman has a brother in London by the name of Louis Stearn, and I have his letter in my office, but I really do not remember what the names of his associates are.

Mr. PITNEY. Was that before a committee of the legislature?

Mr. HEMPHILL. Yes, sir.

Mr. PITNEY. Probably the only Simon Stearn who would be appearing before the legislature in this way is the leading Simon Stearn.

Mr. HEMPHILL. No doubt about that.

Mr. PITNEY. He would not make a statement at random.

Mr. HEMPHILL. There is no question about this, at least, because here is the cablegram he sent to his brother and the cablegram he received, and that is, that within an area of 730 square miles within the city of London the charge is from $85 to $100; that is the highest charge.

Mr. PITNEY. Do you know how many subscribers they have in London?

Mr. HEMPHILL. About 8,000, he says here.

Mr. PITNEY. Eight thousand would not make an income of what you have said.

Mr. BRYAN. That would amount to only $800,000 gross revenue, or less than that, according to Mr. Hemphill's figures.

Mr. HEMPHILL. In this speech Mr. Stearn says:

I now cite from the figures given in the London Financial News of February 15, 1895, which contains a speech of Mr. Forbes, chairman of the London Telephone Company. In this speech he does not give the number of subscribers, but I have ascertained them to be not in excess of 8,000.

Mr. WILSON. You see that will not do. Mr. Stearn was acting in the same capacity then that you are now. He was putting forward the best foot he could.

Mr. PITNEY. He would not be apt to make a statement that on its face was ridiculous.

Mr. WILSON. But I say that was ridiculous upon Mr. Hemphill's assertion.

Mr. PITNEY. They may charge tolls for local business, or they may have a great deal of income from out-of-town business, so that the income may not be represented at all by the rentals.

Mr. HEMPHILL. In the first place, it confesses an income close to £700,000. That is $3,500,000. That he makes here in his statement direct.

Mr. PITNEY. If you will write Mr. Simon Stearn you can probably get a prompt reply with accurate information.

Mr. BRYAN. How much?

Mr. HEMPHILL. Seven hundred thousand pounds. That is about $3,500,000.

Mr. BRYAN. Fifty-five per cent of that would be $2,200,000.

Mr. HEMPHILL. It may be he means 10 per cent on something else at that time. Now he makes that clear statement here.

Mr. WILSON. It certainly emphasizes this, that it is very important for the committee, if they are going to examine this at all, to have the data from which Mr. Simon Stearn made this statement, rather than take what purports to be his statement.

The CHAIRMAN. It has been submitted here, and we will take it simply for what it is worth.

Mr. PITNEY. I think if you will write to Mr. Stearn you will be able to get correct information promptly.

Mr. HEMPHILL. I will do it with pleasure.

Now, while we are on that subject, I have some other information here. Now, in Toronto, Canada, Mr. Stearn says:

This same Bell Telephone Company makes a contract with the city of Toronto. Let us see what the rate is there. They have a service there, I understand, quite as good as our own. They first give to the city of Toronto every quarter—on the first days of December, March, June, and September—in each year to its city treasurer, a percentage of its gross receipts for telephone service within the city limits or any extension thereof, but not to include the rates for business transacted between the city of Toronto and the offices outside the city for any service in the city not connected with the company's exchange office, such percentage to be at the rate of 5 per cent of such gross receipts, and it agrees that it will permit its books evidencing the above to be examined and audited quarterly by the city auditors or other persons appointed by the city council. It also agrees to furnish dwelling houses within the city limits for one year at not more than $25 per annum, and for business houses within the city limits $45 per annum, and that they will furnish the city offices free of expense.

Mr. ALLEN. Does it say what dividends they pay there?

Mr. HEMPHILL. No, sir; it does not say here, I think. I do not think it says what they are making; but if we get down now a little closer home it seems to me we can find out what this company can do. According to Mr. Bryan's letter here, among the questions submitted by the committee was the following:

How many miles of underground conduit have been constructed and are in operation, what is the cost thereof, and how many miles of overhead wire are operated in the District of Columbia?

His answer is, that there are 15.1 miles of underground conduit, containing 132.2 miles of duct, together with 223 manholes, the total cost of which has been $186,092.78. That the company has 2,863.3 miles of overhead wire in the District of Columbia. That the subways contain 4,489.2 miles of wires.

Mr. PITNEY. How does that agree with the statement of the District Commissioners; have you that here?

The CHAIRMAN. Do not stop him; proceed, Mr. Hemphill, if you please, and we will look that up later.

Mr. HEMPHILL. The point I want to draw to the attention of the committee is that if he has constructed 15 miles, the presumption is that it is through the most densely populated part of the city, where he has most wires, and where, as you know, there is the greatest opposition to having overhead wires. That cost, $186,000, which is about $12,000 a mile, to put that wire underground, and the total, therefore, for putting 15 miles of conduit underground, is $186,000 in this city; and he has underground 4,489 miles of wire, and overhead 2,863 miles of wire. In other words, for $186,000 he has put underground about two-thirds of all the wires he has for telephone purposes in the District. If you put the other third down, he can probably put it down for less money; but suppose he puts it down for the whole city, all

underground, that is one-third of the $186,000, which is another $60,000, which, added, would make about $250,000, as the total outlay of putting underground all the wires he has in this District for carrying on the telephone business.

Mr. BRYAN. The statement that Mr. Hemphill makes on the face of it looks fair enough, but it is not fair for this reason: That overhead wires are built and added to just as fast as they are needed for service, and no faster. In the underground we have made an estimate that not over 50 per cent, and we think that it will be probably only a little rising 40 per cent, of all the underground wires are in use, because we can not put a few wires underground and add to them at will, but we must put the standard size of cable down, waiting for it to be built up, and as to the mileage of wires overhead and underground, I will only say that we have more miles of wire in actual use overhead, considerably more, than we have underground.

Mr. HEMPHILL. Why did not you state that in your reply to the committee, then?

Mr. BRYAN. They did not ask it.

Mr. HEMPHILL. If the reduction of rates should largely increase your number of subscribers, it would to some extent meet the difficulty you are now suggesting?

Mr. BRYAN. It might in a way, except you have to have overhead wires in connection with underground wires.

Mr. PITNEY. Are all your wires in Baltimore underground?

Mr. BRYAN. All the wires are not underground in any city in the world, and can not be.

Mr. PITNEY. Practically, I mean?

Mr. BRYAN. There is about the same mileage of conduit, and a somewhat greater mileage of duct, and a somewhat greater mileage of cables and wires underground in Baltimore than here. Radiating from the central office, everything goes out of the office underground, and the cable is dropped at certain points along the different routes, north, south, east, and west, and carried to the pole used for distributing purposes, and the subscribers are thus reached.

Mr. HEMPHILL. I ought to have said one-half more of this $186,000, because two-thirds being underground and one-third out, it would take one-half more of the cost to put the balance of them underground. The stenographer will please make a note of that. Now, to show also the cost of this business. This expert's report from the books of the company, made to the Maryland legislature, says that in five years they expended $127,000 for overhead and $341,000 for underground, which, of course, I suppose covers the amount of wires underground that Mr. Bryan has just referred to.

The CHAIRMAN. In both cities?

Mr. HEMPHILL. No. At that time it related simply to the city of Baltimore. Now, I have endeavored to get some information as to the cost of this overhead and underground construction, but it has been exceedingly difficult to do it, because it depends on where you are going to construct your plant as to what the cost is. For instance, poles in certain parts of the city have to be very tall, and you can only get them here by hauling them a long distance, and it takes probably three flat cars to bring them here. If you were going to construct a plant along Pennsylvania avenue or F street the poles would probably range in price from $30 to $50 and $75 each, whereas in other parts of the city you would not have to pay more than $5 and $10 apiece. That would be sufficient. And of course the poles in the alleys, except very

tall poles, are not required to be of a specially good quality; and it is therefore very difficult to get exactly what the overhead construction would be, and it is almost equally difficult to get what the underground construction would be.

But Mr. Thomas, who has been doing a good deal of underground construction for the electric-light company, states he can put his ducts down for about $6,000 a mile. That does not include the wires and putting the wires in, because his wires are entirely different from those used by the telephone company. If we take Mr. Bryan's own statement of $12,000 a mile, the statement deduced from his reply here to you, I am sure that that is an outside limit. It can not exceed that according to the best information I have been able to procure, and the overhead construction will probably cost from $2,000 to $3,000 a mile in the main parts of the city.

I have found a gentleman who is an electrical engineer, Mr. Hill, having now an office in the Washington Loan and Trust Company Building, who was associated with some gentlemen here recently with a view of instituting another telephone company in Washington, and he has had large experience in telephone matters and other electrical matters. He made an estimate of what it would cost to put down an underground system here for 2,800 subscribers, which is a good deal more than we have here in this company, and his estimate was $463,000.

Mr. WILSON. Mr. Chairman, it was in reference to that that I was going to call the attention of the committee to the fact that if they want to produce any testimony of Mr. Hill it would be well to bring him here and let the committee hear what he has to say, so that he might be subject to the examination not only of the committee but to such cross-examination as might be necessary to ascertain the facts. And I do protest that in a matter of this importance and gravity it is not fair to the committee and to the telephone company, or to anybody, to get Mr. Hill's outside statements and produce them as testimony. If he has any statements to make let him come here and make them, so that we may see what his knowledge is. I do not know him. I have nothing to say with respect to him except that I know nothing about him or what his purposes are or what his knowledge is, but this is certainly the place for Mr. Hill to testify—to the committee—and not at the Loan and Trust Building in this city.

The CHAIRMAN. Of course any authentic information to the committee from Mr. Hill would necessarily have to come from Mr. Hill himself directly. I suppose Mr. Hemphill is stating what Mr. Hill will say, and Mr. Hemphill might be at liberty to do so, as counsel in opening a case do frequently state what they intend to prove.

Mr. WILSON. If my learned friend wishes his statements as to what Mr. Hill might testify to to appear as facts, then those facts ought to be proved by Mr. Hill.

The CHAIRMAN. If they are not proved then they will not amount to much with the committee.

Mr. WILSON. These things are being published every day; they go into the newspapers, and they are accepted by the public as facts. In connection with this investigation in which my friend is appearing for the public, or for a committee which professes to be representing the public, and if this is going out for the information of the public, I beg that he will be required to produce his witness here to prove the facts, and that testimony will not be taken as to what somebody told him.

Mr. PITNEY. In the face of the protest which has been made, why would it not be well for Mr. Hemphill to adopt the course suggested in

regard to any matter that relates to the engineering cost of this construction?

Mr. HEMPHILL. I think the committee would have the right to call upon any gentleman here. There have been a number of people laying down conduits; for instance, the two electric companies here, and I have no doubt in the world that they could be summoned by the committee, and I would suggest it would be fair to all sides, and more satisfactory to the committee, to summon some of those experts.

The CHAIRMAN. But this is a matter in which the citizens are interested, and we are accepting your statement, so far at least as I am concerned, in the nature of an opening statement, and I do not suppose it will be accepted by the committee as evidence, so far as an expert opinion is concerned, unless the gentlemen from whom you get your information comes here and backs it up; and we do not feel called upon to summon him. We suppose the citizens are enough interested in this to furnish him.

Mr. HEMPHILL. We will do just as the committee wishes in regard to that. We can ask some of those gentlemen to come here. But we are in this difficulty. Of course Mr. Bryan's company is an electric company. These other gentlemen are also operating here in the electric line, and I do not know that it will be very agreeable for them to come here and testify against any other company occupying the same line of business.

The CHAIRMAN. Well, we have often to do things which are not agreeable.

Mr. HEMPHILL. That is true; and I did not know whether the committee would summon these witnesses upon our request or whether it was expected we would get them here ourselves. We will adopt either course you think proper.

Mr. WILSON. One more word on that subject. These gentlemen come here the representatives of the public, asserting that the Chesapeake and Potomac Company is charging excessive rates. Now, they ought to come here armed with information that would establish that fact, if it is a fact, and it is not proper, I submit, for counsel to come here representing the public and make statements of this kind. It gives the committee no information whatever; it is simply a statement that goes out to the public without anything whatever to substantiate it except that Mr. Hemphill states, and no doubt states accurately, what somebody told him. Now, it is their business, coming here and making the assertion that they do, and asking legislation in respect to this matter, to give the committee facts, and in such a way that the committee would feel justified in acting upon it.

I submit that if Mr. Hemphill makes this statement this committee would not regard it for a minute in making up their conclusions in regard to this matter. So, if it is to be of any value whatever, this information must be brought in this way—in the way suggested. It must be direct testimony, so that this committee will know exactly what this gentleman knows in regard to this subject.

Mr. PITNEY. Do not crowd this thing too far. This committee is not trying a case before a jury, and it is not going to be prejudiced because too lax or too strict rules of evidence are followed. It is not as if a case were being tried before a jury, and it is not important, as it would be in that case, that nothing but direct evidence should be produced. We must accept hearsay evidence in this matter. All this in regard to the rates in other cities and a great deal of the information that we gather here must be hearsay evidence in the nature of things. If there is serious danger that any secondhand statement may be

erroneous, then we will look to the first source of information in that case.

The CHAIRMAN. The committee think on considering this matter that Mr. Hemphill will be allowed to proceed in his statement, and since this matter has been called to the attention of the committee, they will say that if Mr. Hemphill expects the committee to accredit the facts coming from this gentleman to whom he has referred that Mr. Hill should be produced before us and substantiate the statement made, and the same thing in reference to any other matter which gentlemen on the other side may call to the attention of the committee.

Mr. PITNEY. But if Mr. Hill or any other witness is not willing to come after being peremptorily summoned, then the committee will endeavor to assist in getting him here?

Mr. HEMPHILL. I made the statement I did upon his statement to me, and he said he had the estimates and all that, and I have no doubt he will come if summoned by the committee. Whether he will voluntarily come, I do not know.

The CHAIRMAN. We think under the circumstances that you should produce this man; that you should not make statements secondhand, of a hearsay character, unless you stand ready to support them. We are willing to hear them, of course. Your statement, as I have said before, is in the nature of an opening statement, although not formally so; but you should not make statements if challenged by the other side unless you are ready to back them up.

Mr. HEMPHILL. I am ready to back them up; but yesterday there was an inquiry as to whether we could furnish data as to the cost of underground conduits. We have no power whatever to compel witnesses to come here, and I simply give you the best information I have.

The CHAIRMAN. You may report to the committee whether the man you refer to is willing to come or not, and if not, we will devise some means to bring him here if possible. The committee has not yet entered upon the subject of summoning witnesses. There has been a citizens' committee organized that we supposed would present these matters to us on the one side, and the telephone company would present their side of the case on the other, and in that way we would be able to reach a rational understanding.

Since the other side raise a technical point here, which we have overruled, and say to you to go forward, it seems, when these matters are challenged by the other side, that the Citizens' Committee should be willing to furnish us the proof; only if they can not get the witnesses here they shall so report, and then the committee will decide how to proceed further to get them here.

Mr. HEMPHILL. Very well, sir; if the witness to whom I have referred is not willing to come, then I will so report to the committee.

The CHAIRMAN. If these questions are challenged by the other side—these statements of fact—they had better be indicated at the time, so that the counsel for the citizens shall have knowledge as to just what matters are put especially in issue.

Mr. HEMPHILL. Really, I can say to the committee that this is about the sum and substance of what we have to say.

We have undertaken to show, and think we have shown, what other cities in this country are doing in the telephone business and how many other companies there are that are doing business at so much less than the Bell Telephone Company. We have undertaken to show what was being done abroad, and we have undertaken to show what excessive revenues this company has been receiving while it has been

doing business here upon a very small real cash expenditure; and then we have undertaken to show, even from their own statements, as compared with that of other cities of this country, particularly referring to the report of the New York legislature, that they can afford to do business at a very much less figure than they are doing it, and of course our prayer is that the legislature for this District will regulate the rates here and bring them down to a proper figure, and that if this company says it can not do business at that rate, then that legislature shall provide that other companies shall have the privilege of doing what this company is unable to do.

I am very much obliged to you, gentlemen, for your attention.

Mr. S. M. BRYAN, president of the Chesapeake and Potomac Telephone Company, resumed the stand for further examination.

The WITNESS. In the hearing of the 9th, on page 12 of my typewritten copy, Mr. Dockery asked Mr. Wight if there was any competing exchange in Baltimore, and Mr. Wight replied that there was not.

There is a competing exchange in Baltimore that has been running for nearly two years. That is known as the Home Telephone Company. It had one receiver appointed for it, and that was not sufficient, and they have now appointed two receivers more. The last two receivers are in charge. They are operating the business. They have 1,200 stations in Baltimore, and are at a standstill, and have been for six months. We are increasing in Baltimore with the same rates substantially, as you are aware, that we have in Washington. For instance, last month we obtained 81 new subscribers—a net gain of 81; and we are increasing at the rate of 70 or 80 or 90 new subscribers each month. The Home Company's rates, which brought them to a standstill, are $48 for business and $36 for residences. There is a case of active competition where the Bell Company's licensee has not changed the rates a particle. That ends that question.

By Mr. PITNEY:

Q. That is rather an exceptional case, is it not, so far as the attitude of the Bell Company is concerned?—A. The policy of the local companies, licensees of the Bell Company, has been in many cases to establish a fighting rate, not a commercial rate, but a fighting rate or competing rate, understanding perfectly well that if it is continued long enough one or both companies would have to go into bankruptcy. Another thing in connection with that is this important fact: That no telephone company except those using the Bell Company's patents has been in business long enough to feel the effect of the sag that comes when new construction begins to decay. When everything is new and the capital is invested it works smoothly, and the stockholders and managers are apt to deceive themselves with the idea that all that comes in except what is necessary to keep the instruments in order and running the exchange is clear profit. That is the mistake the Bell Company's licensees made for the first six or seven years of their life, and it is the same mistake that all the companies operating in competition with the Bell Company's licensees throughout this country are making.

Except to correct what might be a misunderstanding on the part of the committee, I would not refer to Mr. Birney's mention of the law in Maryland, but it is a fact that in 1892 there culminated an agitation which had been approaching for some time for lower telephone rates, which led to the passage of a law which restricted us to $78 a year for telephones in Baltimore. But it was not six months after that law was passed until it was seen that a mistake had been made and that feeling had become so strong before the meeting of the succeeding legislature

in 1894 that the question of telephone rates was taken up again; and while there was a disinclination to take from the statute books the law of 1892, its scope was so curtailed as to confine it to grounded wires and the old-fashioned Blake transmitter, both of which were practically obsolete for practical use in Baltimore by reason of the electric-light and trolley disturbances.

By Mr. ALLEN:

Q. Let me ask you right there, how did this become so apparent? Did you not refuse to furnish them the service?—A. I did not refuse to furnish them service. We furnished them the service, but it came about because of the development of the fact that these trolley and electric-light disturbances would not permit the grounded wire and the Blake transmitter to work properly, and there was nothing in the bill to compel us to furnish a metallic circuit and a long-distance transmitter that would work, and the leading business men of that city desired to have the same facilities for the transaction of business that the business men of Philadelphia and New York had.

Q. And you put in no metallic curcuits while that was in effect—is that the fact?

Mr. HEMPHILL. What was the question?

Q. I say, did you put in, while this rate was in force, no metallic circuits?—A. No, sir.

Mr. PITNEY. Then the thing that was demonstrated was not the unreasonableness of the rate, but the unsatisfactory nature of that particular kind of service?—A. I was about to read this letter from Mr. Latrobe, who was mayor of the city, and had been mayor several times.

Mr. HEMPHILL. Why was it that all this sudden development occurred within six months? As soon as this law was passed it then became apparent that the Blake transmitter and the grounded circuit were not worth anything.

The WITNESS. It did not become apparent at that time, but in comparison with other systems the rates were too low.

Mr. HEMPHILL. Before the passage of the act there had been no complaint of the service?

The WITNESS. No complaint, because a man was at liberty to take what he chose.

Mr. HEMPHILL. But you did not give him anything but that?

The WITNESS. Yes.

Mr. HEMPHILL. But then, you refused to give him——

The WITNESS. Yes; under the law.

Mr. HEMPHILL. When did the metallic circuit begin to be used in Baltimore?

The WITNESS. The first use, I think, was in 1890.

Mr. HEMPHILL. And the law was passed in 1892, was it?

The WITNESS. Yes, sir.

The letter of Mayor Latrobe, in reply to the letter from Hon. George Truesdell, acting president of the Board of Commissioners, together with Mr. Truesdell's letter, are as follows:

MAYOR'S OFFICE, CITY HALL,
Baltimore, Md., July 28, 1894.

Hon. GEORGE TRUESDELL,
Acting President Board of Commissioners,
District of Columbia, Washington, D. C.

DEAR SIR: I have had the honor to receive your letter of the 25th instant, in which you request information upon certain points in relation to telephone service in this city. In response, I beg to advise you as follows:

First. The rates for telephone service in this city are $125 per annum for business houses equipped with metallic circuits and long-distance instruments, and $100 per

annum for residences similarly equipped; and $78 per annum for either business houses or residences equipped with grounded circuits and ordinary exchange instruments.

The active discussion of the telephone question in this city for the past four years led to the passage of a law in April, 1892, which fixed the rate at $78, and this rate, so far as contracts then existing permitted, prevailed until March, 1894, when the legislature amended the law so as to confine its provisions to grounded circuits, and placed some embarrassing restrictions upon subscribers to this class of service, while at the same time specifically providing that the company and its subscribers should be left entirely free to make such contracts as they might mutually agree upon for the higher grade or metallic-circuit service. Within a few weeks after the passage of this act of 1894, the company voluntarily reduced the rate for the superior class of service to $125 per annum, and our people are rapidly changing to it from the grounded-circuit service, as a relief from the inductive and other troubles inseparably connected with the service furnished by means of grounded circuits.

Second. So far as my knowledge extends, and as I am credibly informed, the law of 1892, above referred to, worked grave injury to the company; and I am convinced that, if left free to do its business in its own way without legislative interference the company would, at reasonable rates, supply the latest improvements in telephonic methods and mechanism, as required by its subscribers.

Third. The capitalization of the company operating in this city is rather hard to determine, as one company—the "Chesapeake and Potomac Telephone Company," with headquarters in Washington—controls all the telephone business in Maryland, District of Columbia, and portions of West Virginia. This company, as I understand, is capitalized at $2,650,000. Several of its stockholders reside here, and I learn from them that for several years past the annual dividends have been at the rate of 2 per centum per annum.

The above, I believe, answers all the points of your inquiry.

I have the honor to be, your obedient servant,

——— ———, *Mayor.*

WASHINGTON, D. C., *July 25, 1894.*

To the MAYOR OF BALTIMORE, MD.

DEAR SIR: The Commissioners of the District of Columbia would be obliged to you if you would inform them what are the rates for the use of telephones in your city, and whether, in your opinion, the rates could be reduced without injustice or injury to the telephone company. Also, the capitalization of the company operating in your city, and the dividends paid by it annually, if any.

Very respectfully,

GEORGE TRUESDELL,
Acting President Board of Commissioners District of Columbia.

By Mr. ALLEN:

Q. You had the metallic service in operation in Baltimore?—A. Yes, sir.

Q. You continued that at $78, did you?—A. No, sir; not the metallic circuits.

Q. You took that away from the people who had it?—A. No; most of the contracts were not a year old or were made for a longer period, so that the law did not affect any existing contracts, and those that were affected were taken out or replaced by instruments for the same purpose——

By the CHAIRMAN:

Q. Did the Baltimore law limit the charges for telephones on the grounded circuits specifically?—A. On the grounded circuit it was not specific as to that point.

Q. But it was of a character which you construed—— A. Yes.

Q. Did it relate simply to the grounded circuit and not the metallic circuit?—A. Yes, sir.

Q. Although the metallic circuit was then in operation in Baltimore?—A. Yes, sir.

Q. Did any litigation arise from that question?—A. None whatever.

Q. None was started?—A. None was started.

Q. It was your construction of the law?—A. (Question not answered.)

By Mr. ALLEN:

Q. Let me get my question finished. I wanted to ascertain what was done from the passage of this law in 1892 to the legislative adoption of your construction, in 1894, of this law, about the people who had the metallic service at the time this law went into operation.

Mr. PITNEY. The law of 1892?

Mr. ALLEN. Yes.

A. Whatever contracts could not be held as existing contracts were changed to contracts with the long-distance company, which were known as terminal contracts, connecting with loops running into our exchange and there connected with their long-distance wires, in addition to which they had our grounded-service instruments.

Q. That is what I wanted to ascertain—where they had the metallic service did you put in the other (the ground-service) instruments?—A. Yes, sir; we had to.

Q. Why?—A. Because we could not afford to furnish the metallic circuit at the grounded-circuit rate.

Q. After you put the metallic circuit in, was it cheaper to take that out and put the other back in again?—A. Most assuredly. The metallic circuit is worked by instruments requiring three cells and a special kind of battery requiring great care and attention, and two wires are used for metallic circuit, and they could be used for two sets of telephones on the grounded circuit.

Mr. HEMPHILL. Can you tell how many of those were in operation in 1892?

The WITNESS. I can not speak from memory about those things.

Q. There was no attempt made, then, to force you to furnish these metallic circuits at $70?—A. I do not remember that any attempt of that kind was made.

By the CHAIRMAN:

Q. Did the legislature take any action after 1892 on the subject?—A. In 1894.

Q. Where is the act of 1894?

Mr. PITNEY. Let me see the act of 1892.

The CHAIRMAN. I want to see them both, if you can furnish them both.

Mr. HEMPHILL. I want to say right here that our construction of that act of 1892 was that it limited the service to $78.

Mr. PITNEY. For all kinds of service?

Mr. HEMPHILL. Yes.

Mr. PITNEY. And did not specify——

The CHAIRMAN. Did it say all kinds?

Mr. HEMPHILL. That is my recollection. It said the outside limit should be that much.

The CHAIRMAN. Then why should the people tamely submit to this construction which the telephone company put on the act? That is why I asked the question about litigation.

Mr. HEMPHILL. Then the act of 1894 said this company might make special contracts, providing it would file in the office of the secretary of state an exact and minute description of the kind of service it had been rendering up to that time, which, of course, according to Mr. Bryan's own statement, would include the metallic circuits.

By Mr. PITNEY:

Q. Did the act of 1892 simply limit the company to a charge of $78 without specifying what kind of service?—A. I do not remember the exact language of the act, but it is certainly accessible here.

Q. And did the company claim that, being limited to that amount, they could fulfill their duty by furnishing a grounded circuit?—A. Not only fulfill their duty by furnishing a grounded circuit, but by furnishing a party-line telephone, with as many persons on the line as we might choose.

Q. And at any rate, you did adopt the practice of substituting grounded lines for metallic circuits where your existing contract permitted?—A. Yes.

Q. And such substitutions created dissatisfaction?—A. I do not know that there was any litigation.

Q. I do not mean litigation, but dissatisfaction with the service. They were dissatisfied with the grounded circuit?—A. Yes.

Q. I suppose your company would claim, under the construction put on the District bill, you could fulfill your duty there by furnishing grounded circuits?—A. That is a matter I have not had time, with the incidental business this committee has imposed upon me, to think about.

Now, there is one thing I would like to get into the record, and it will only take me a few minutes longer.

By Mr. ALLEN:

Q. You were acting president of this company during all this time?—A. Yes, sir; I was not located in Baltimore, but I was president of the concern.

Q. Was there any effort on the part of your company to make the people of Baltimore dissatisfied with your service?—A. By no means.

The CHAIRMAN. You mean with the grounded circuits?

Mr. ALLEN. Well, with the service.

The WITNESS. By no means. We have always endeavored in good faith to do all we could under our contracts with subscribers.

Mr. DOCKERY. It does not seem to me it requires any very great effort. When you dispense with the metallic service and restore the grounded service, you are liable to accomplish the result without an effort, it seems to me.

By Mr. ALLEN:

Q. There is sometimes an effort to make laws odious, you know.—A. You could not expect to buy the best French loaf sugar at the price of black Manila sugar, and if you were disappointed in not getting it you certainly could not feel hard toward the man who refused you.

By Mr. DOCKERY:

Q. The legislature passed a law putting a limitation on the charges in Baltimore in 1878. You met the law by the construction, and it was perhaps warranted, that that restriction applies to the character of service at that time?—A. The amount of the higher-class service was exceedingly small. We had just got into the business, although the first wires were run in 1890, it was not appreciated, and the long-distance company had just finished their connections, and it was not as it is to-day, or we would have taken probably different action. There was a very small number of metallic circuits at that time, at the time of the passage of this law.

By Mr. PITNEY:

Q. I have here the text of the Maryland statute of 1892. It will be

found on page 38 of the printed hearings of this committee. It makes a distinction between cases where a single telephone is on a line and where two or more telephones are on a line, and it is a part of the act to which I wish to call attention:

SEC. 232 (*a*). No individual, company, or corporation now or hereafter owning, controlling, managing, or operating any telephone line or lines within the limits of any city, town, or village in the State of Maryland shall charge, collect, or receive as rental for the use, at any and all hours of the day and night, of such telephones and lines connecting with the central exchange or point of communication through which conversation may be held, over all other lines connecting with such exchange or point of communication in such city or town, any sum exceeding $6.50 per month when one telephone only is rented by one individual, etc.

That means $78 a year. Now, the legislature, according to my view, evidently intended to say—whether they said it or not is another question—that for the telephones then in use the charge should be limited to $78 a year. I want to know whether your company construed that as permitting them to change those telephones and telephone lines in operation from the metallic circuit to a grounded circuit?—A. I will simply say that whatever ideas we entertained, and whatever action we took, was more than ratified by the succeeding legislature, which took the same view we did and crystallized it into a legislative interpretation of the act of 1892.

Q. You have not answered my question at all.—A. What is it?

Q. The question is whether you changed the lines of metallic circuit which existed at the time of the passage of this act of 1892 and substituted the grounded circuit with the same telephones?—A. There were changes of that kind. There is another thing on that point I would like to invite the attention of the committee to.

By the CHAIRMAN:

Q. And you went on and charged $6.50 per month for your grounded system, and for your metallic system you charged more than that, did you? Will you repeat what your rates were?—A. The rates before the enactment of the law of 1894 were $160 for the ordinary standard service, and that is what Mayor Latrobe refers to when he says we voluntarily reduced them to $125.

Q. How many were on a metallic circuit when this law passed?—A. I do not know.

Q. How many would you judge?—A. I would not like to say.

Q. How many did you transfer from the metallic circuit to the grounded circuit?—A. I do not know.

Q. I would like some estimate. Did you transfer 100?—A. No.

Q. Did you transfer half of that number?—A. I do not think there were 100 all told.

By Mr. DOCKERY:

Q. In your opinion, is the rate of $78 per annum a reasonable rate for grounded-wire service?—A. Well, that depends where it is and under what conditions.

Q. In that city?—A. In the city of Baltimore?

Q. Yes, sir.—A. I do not think it is; I do not think that the service is fairly paid for at that rate.

Q. Then, as I understand, your company substituted in certain cases—the number you are not able to state—the grounded circuit for the metallic circuit?—A. Yes, sir.

Q. And that charge of $78 for the grounded circuit was not a reasonable charge, in your judgment?—A. We did not consider it a reasonable charge at that time.

Q. That it was exorbitant?—A. No; that it was too low.

Q. For the grounded service?—A. Yes.

By Mr. PITNEY:

Q. But you introduced new grounded-wire service between the act of 1892 and the act of 1894, did you not, at the rate of $78?—A. New grounded service?

Q. I mean introduced it in telephones—admitted new subscribers?—A. Certainly we did; yes, sir. We had to supply all comers for $78.

By the CHAIRMAN:

Q. You were really losing money, then, in Baltimore on your grounded service at $6.50 per month, were you?—A. I would not answer that question directly.

Q. You said it was too low?—A. It was too low.

Q. Then you lost money?—A. There is a difference, to my mind; there is a middle ground; there is a point at which you lose money, and there is a point at which you do not make any money, and then there is a point again where you make money. There was not a satisfactory margin of profit, to my mind, at that time, in it at that rate.

Q. If there was no profit in it, why did you trouble to give them that kind of a service?—A. It was a much less expensive service than the other.

Q. It was the only kind of service?—A. Only two kinds.

Q. It was the only kind of service you could give them within the rules of law at that rate?—A. Yes, sir; and we were compelled to furnish the service when asked to do so.

By Mr. ALLEN:

Q. Let me ask you one question there. You say it was not a satisfactory profit. What is your idea of satisfactory profit?—A. My ideas are based upon considerable observation and experience in business, and they contemplate about 35 per cent of profit out of the gross receipts. And the reason I speak of that is that the more conservatively managed railroads of the United States never fail to make that kind of a showing. The Pennsylvania Railroad Company, conservatively managed, and as just as it is said to be to everyone, is not to reduce its tolls, and yet out of its revenue for 1897, amounting to more than $26,000,000, after charging off against that all that could be thought of or properly brought to bear against it, the balance showed a difference of more than $9,000,000 as net profits. So that out of its gross profits of $26,000,000 more than 25 per cent of it was shown to be net, and I am informed by railroad men with whom I have conferred at different times in different sections of the country that a railroad does not think it has gotten on fairly well and prepared itself to meet the contingencies that are always possible to arise unless it has been able to do the business in hand at about 65 per cent of its gross revenue.

By Mr. DOCKERY:

Q. Now, you say you consider a satisfactory margin of profit 35 per cent of what?—A. Of the gross revenue.

Q. Of the gross revenue?—A. Yes.

Q. Or what per cent of the actual cash invested?—A. Taking the branch of the subject I was then talking about, it does not make any difference whether your plant costs $1 or $10,000,000, or what your capital stock is, whether it is $1 or $100,000. It is the question of doing business, and it is the proper margin you should have on the volume of

business done. Now, if asked as to the dividend that should be paid on stock, that would largely depend on what has been put into the plant, and how much so-called "water" there was in the stock, and how much it was actually worth, considering the franchise, rights of way, licenses, good will of the business, and physical plant.

Q. Now, to bring down a satisfactory margin of profit to a practical basis, I desire to know upon your estimate what would be the proper or fair percentage of margin of profit on the cash invested in the Pennsylvania Railroad Company or in the Chesapeake and Potomac Telephone Company here?

Mr. ALLEN. After paying the operating expenses, the salaries, etc.?

Q. (Continued.) Yes, of course. What would be the satisfactory margin of profit?—A. I never saw a man wise enough to answer that question correctly. I never have come across such a man. The actual amount of money paid in for this $12,000,000 company that runs a railroad from here to Georgetown, $25 a share, is all the cash money invested with the exception of the Chevy Chase line, which was brought into it afterwards, and all that was ever put into it, with the exception of what it earns. It has kept up with the times in a way. So has the telephone company. The amount of money should be considered, the risks that were run in the public interest—and incidentally their own interest—on the Yankee toy to bring it into public use, and give to the citizens of Washington what the citizens of other localities were enjoying. All that should be taken into account, and when we talk about the amount of cash actually invested by the original company we should not lose sight of the fact that the men who put that in and put their energies and their intelligence in to develop this thing did not expect, after establishing the business, to sell out at exactly what it cost them or at a loss.

Q. My query did not lead to that.—A. Well, you asked me the question as to what I think would be a fair margin of the cash capital invested. Now, if that relates to the present situation, as I understand it, it is really in the situation of having bought a business establishment with all the good will and experience to a large extent of the men who had pioneered this thing through in Washington, and we had to pay them their price or we could not get the property.

By Mr. ALLEN:

Q. You speak of the value of this franchise in making up your estimate. Did it ever occur to you that when this franchise was granted the value was supposed to be mutual between the parties to whom it was granted and the parties from whom it was granted, and that the citizens of this District have an interest in this franchise as well as this company?—A. I have always taken the ground that interest in these things was mutual. I have always so held.

By the CHAIRMAN:

Q. Before you pass to another subject—I having been out for a moment—I have asked my colleague whether any inquiry has been made as to what capital you wanted 35 per cent on?

Mr. PITNEY. Thirty-five per cent of the gross receipts, he said.

The WITNESS. We were not talking about capital at that time. I was talking about the business operations; that whether a man is running a large factory or a railroad, on the volume of business done, unless he can do that business on 65 per cent of the gross receipts and have 35 per cent to meet contingencies and pay dividends and all that, he is not doing very well, and the railroad holds that same view.

By Mr. PITNEY:

Q. You are making the value of the capital stock dependent entirely upon the current business?—A. Of course, if the receipts were precisely equal to the disbursements, the expenses, the capital stock would not figure at all, would it?

Mr. PITNEY. No.

The WITNESS. I am leaving the capital stock out. No; there are three ways of figuring it. One is on the volume of business, and another is on the capital stock, and the other is on the amount of the original investment. I do not know of any company here that has paid its stock in full. I do not know that it is your experience that that is done. It is the custom to give some advantage to the men who are willing to run the risk in the first instance.

Q. Yes; but after all the question of reasonable rates, so far as the question of investment has a bearing upon it, you try to find out the actual investment?—A. Yes; well, on the same theory, perhaps you may have 1-cent carfares and everything of that kind. But laying that aside, the actual business done should yield a fair percentage above the cost of operating.

By Mr. ALLEN:

Q. You are giving your ideas of a fair return. Let me put a hypothetical case to you. Suppose a corporation here in the District of Columbia, or in any city, by reason of some peculiar franchise they held, granted to them by the authorities, on an investment of $100,000, should realize over and above their operating expenses $1,000,000 a year. Now, you think a reasonable return on that would be $350,000 a year? Is not that the logic of your statement?—A. The statement is a hypothetical one, but it is an impossible one.

Q. But if it were possible, that would be your idea of a fair return?—A. I simply speak of the average of corporations as you go.

Q. That is on the assumption that the corporation exists with no watered stock upon the cash investment?—A. I am taking railroads, General, and there is not a railroad where the original investment has not been increased three or four times over in the way of watered stock or bonds.

By the CHAIRMAN:

Q. Then they would want something to take care of the watered stock, would they not?—A. There is a good deal of difference of opinion as to what is watered stock.

Q. What is your opinion? You say railroads have it.—A. The stock that is deliberately doubled up without having any physical increase in its power to earn has water in it, I should say.

By Mr. PITNEY:

Q. Let us analyze that statement. The power to earn in your case depends upon the public franchise that the company has. Now, is it fair to persons whose rights must give way in order that you may enjoy a public franchise that the people should be taxed to pay on watered stock at a valuation which arises only from the power that you have to tax them?—A. I do not exactly catch that.

Q. Well, I think you could if you tried.—A. I am not blaming you, Mr. Pitney. It is my obtuseness.

Q. You say, take an instance, make a supposable case. Five thousand dollars actual investment; stock issued to the extent of $3,000,000. Just on your argument, upon the ground that it has an earning capacity

which will pay dividends upon $3,000,000. But those dividends arise from the fact that you are charging certain rates here from the persons who have granted to you the franchise which gives you that earning capacity. They claim that those rates are unreasonable, and the only ground, from your standpoint, by which you are able to justify yourself in charging those rates, is that you have the earning capacity, and that your earning capacity is by reason of those rates.—A. Suppose you go ahead and just earn it. You do not have to manage anything, and do not have to run any risks. My idea is that every business that is run is entitled to a percentage, and you can not get away from that. A factory can not get along without a margin of 25 per cent. No matter what it does, it must have a margin of profit; it must have at least 25 per cent on its output or it can not go on. It might go on for one year or two years, but, taking one year after another, it can not.

Q. As the figures submitted by you are analyzed by the Citizens' Committee, they show a gross income of $418,000 a year, and operating expenses of $41,000.—A. Just let me come to that in a half a minute. I do not want to charge any gentleman with anything that he did not mean, but $41,000 is put down as operating expenses, and that is one subdivision of accounts—simply what we pay in the switch room. There is, in addition, the general expense, so called, wages, rentals, and light, and all other expenses. There is a large maintenance expense, and I have got right here——

Q. I do not suppose those gentlemen are responsible for your method of bookkeeping?—A. No; but I object to it for another reason. I have a very decided objection to it. On page 27 Mr. Birney says:

> These figures are necessarily for the two districts; maintenance, $81,945.56; telephone rental and switch-board royalties, $74,478.14; real estate expense, $3,808.02; interest, $32,830.62; messenger expense, $913.15; total, $302,637.38, which, subtracted from the $418,942 of revenue, leaves a net revenue of $116,304.84.

And on the next page he says that all we paid for operating to get that income is $41,000.

Mr. BIRNEY. I do not think that is the proper construction of my answer.

A. (Continuing.) Mr. Birney said that our income was $431,000, and $41,000 expense.

Q. I said that your operating expenses, as reported, were $41,000. But what I am anxious to get at is the actual operating expenses.—A. We do not call everything in the way of expense operating expenses, because we have an operating department, and what a railroad would call operating expenses includes things that we do not include. The maintenance expense, and switch-board royalty, and the general expenses——

Q. What is included in the general expense?—A. That is salaries, wages, rentals, light and heat, and taxes, legal expenses, pole rental, and sundry items of that character.

Q. Are royalties included in it at all?—A. No; they are kept as a separate and distinct thing on the balance sheet.

Q. Is construction account included under the head of general expenses?—A. No, sir.

Q. And increase of plant?—A. We do not treat that as a general expense; we charge it directly to construction.

Q. Now, with regard to the question of watered stock, let me suggest that as between stockholders, the original investors, whose risk is greater than those who come in after the success of the enterprise is assured, may be entitled, as between the stockholders, to a much

greater—perhaps what otherwise might be considered an exorbitant—return; but as between the company in general and the public, as to the question of reasonable rates for public service, it seems to me, for one, that the same return can not be expected by the original investors. They can settle it between themselves as to how to divide their profits, and they may get a bonus in stock; but the actual cash, the inventions and franchise involved, if any, are the material questions from this side of the subject, and watered stock is simply fictitious bookkeeping after all, so far as the interests of the public are concerned.—A. Would it be if you bought real estate and had it enhance in value, if it was necessary for your business, or you fitted up your plant and a state of war would appear, and we should find that the level which things had reached was so high that it was worth four times as much as it cost? There is water in everything; there is water in every house that is bought and sold at a profit.

Q. We need not ramble too far away, but I will be very glad if you will submit to the committee your account of what is represented by $2,695,000 of capital stock, if that is the amount.—A. $2,650,000.

Q. I would like to find out how much of that is represented by cash investment, how much is represented by earnings capitalized, how much is represented by franchise, how much of that is represented by inventions, patented or patentable, and how much is represented by increase.—A. We are getting that for you.

By the CHAIRMAN:

Q. You say all these stocks are watered. Yours is watered some, is it?—A. I presume that in the broad meaning of that term it is watered some.

By Mr. PITNEY:

Q. About three fourths of it?—A. Oh, no, sir.

By the CHAIRMAN:

Q. I would like to have you tell us just the exact amount of water, and do you think you can bring it in on Monday?

By Mr. WILSON:

Q. Has there been any increase of the capital stock since the company was organized?—A. No, sir.

Mr. BIRNEY. There is an amount of dead plant—the plant not now in use. There is, as I understand it, a good deal of dead plant that has been abandoned.

By Mr. PITNEY:

Q. I suppose that would come under the general head of deterioration of plant, and that, maybe, would offset to some extent the accretions of plant out of earnings.—A. No man from the Commissioners' office or anywhere else has authority to say that any part of the plant which is visible and up is not up for the purpose of making money—that it is not a practical working plant, and as fast as we can find a wire that is not needed or likely to be we take it down.

By Mr. DOCKERY:

Q. In your system of bookkeeping do you give the franchise you enjoy any cash value?—A. We do not give it a cash value. We give it a value in the books, of course.

Q. It does not stand for so much money?—A. Yes, sir; it stands for so much money.

Q. As a liability?—A. Yes; in our balance sheet it stands for the express value of it, whatever that is.

Q. Of the franchise itself?—A. Yes, sir.

By the CHAIRMAN:

Q. By itself, separately?—A. No; not separately.

Q. It is represented by your stock, is it not?—A. What is that?

Q. It is represented by your stock?—A. Represented by the stock—our liabilities on the one side and our assets on the other.

Q. But we are speaking of franchise.—A. Your franchise would not go on the same side as your stock.

Q. But in your system of bookkeeping, the subject of your franchise is entered up separately as such?

Mr. PITNEY. As an asset.

A. Entered up simply as a franchise. I forget the nature of it, but I will be glad to bring here the balance sheet, so you can see just how they are entered up.

By Mr. DOCKERY:

Q. I was not trying to get at the exact amount. I was simply desirous to know whether, under your system of bookkeeping, a franchise had a cash value.—A. It is entered as having a cash value; yes, sir.

Q. For the reason that it was granted by the public——. A. You mean the franchise from the District?

Q. Yes.—A. I thought you meant the franchise from the Bell Telephone Company.

Q. No.—A. Well, I misunderstood your question.

Q. It has no cash value on the books, then?—A. No, sir.

Q. The reason I asked that question was that on the other side of this statement appears a charge of a certain amount, $75,000, I think, for certain patents of the Bell Telephone Company. In the case of the franchise, of course that would be a gift of the public—a grant of the public to do business. In the other case that, you say, has no cash value on your books. On the other side of the account, however, there is $75,000 charged up for brains under the patent laws.—A. I should rather talk to the auditor about that and see what he means by the entries in that balance.

Mr. DOCKERY. Very well.

By Mr. PITNEY:

Q. How long have you been president of the company?—A. About ten years, I think. I have been connected with it about fifteen years, I think.

Q. I asked you the other day about the existence of a contract between the Western Union Telegraph Company and the American Bell Telephone Company. You said you had no knowledge of it?—A. Yes, sir.

Q. Mr. Grout also made an inquiry concerning that in his last communication in writing to you?—A. I was rather surprised that he asked that question in his letter, in view of the fact that I had stated under oath that I did not know anything about it.

Q. Well, I was surprised at that statement when I came to notice a decision in the case of the Chesapeake and Potomac Company *v.* The Baltimore and Ohio Railroad Company reported in Sixty-sixth Maryland Reports, page 399, where the decision was in 1887, and where the validity of a part of that same contract came into question, and I supposed you must have forgotten the relation that contract had to the rights and powers of your company?—A. That matter was fought out

by my counsel, Hon. Mr. Gwynn, and I did not pay any attention to it. I knew there was a suit on to compel us to do something, to furnish telephones——

Q. Is not the contract between the American Bell Telephone Company and the Chesapeake and Potomac Telephone Company made expressly subject to the limitations of the Western Union Telegraph Company contract?—A. I am not advised as to whether or not——

Q. The Supreme Court in this decision says it is.—A. I did not know about that.

Q. You have been asked to produce that contract.—A. I do not know whether the contract was produced at that trial or not; I do not know how they got it. I stated I know of no contract between the two companies. It would not come under my knowledge at all.

Q. I will refer you, then, to the Electrical Engineer of August 8, 1895, page 208, which contains what is said to be, and I suppose is, a copy of the contract of the 10th of November, 1879, between the Western Union Telegraph Company and the National Bell Telephone Company, which was the predecessor of the American Bell Telephone Company, and also an article of that same issue, page 199, where they give a statement of the commissions paid for ten years—from 1885 to 1894, inclusive—by the American Bell Telephone Company to the Western Union Telegraph Company, amounting to $5,201,000. I also see that by the terms of this contract itself that it expired by its own limitations on the 1st of November, 1896. We have asked you whether there has been any supplemental contract. The payments under the contract having expired, the question is whether there is now any tax on the business of the American Bell Telephone Company and its licensees, equivalent to the tax that was paid to the Western Union Telegraph Company prior to November 1, 1896.—A. I didn't know anything about that, Mr. Pitney, but so far as the matter has direct relation to this inquiry, as I understand it, I am perfectly willing to tell you what we pay to the Bell Telephone Company as royalties, so that that matter ought to render unnecessary everything else, because our accounts show precisely what we pay them.

Q. I would like to know that; but the propriety and legality of its payment might be another question.—A. The legality of its payment I do not think can be questioned. It is paid in pursuance of a contract for royalties on a patent device, and the agreement is good and legal, I am informed.

By the CHAIRMAN:

Q. That is on the transmitter and receiver?—A. On the transmitter now. On the transmitter and receiver formerly.

By Mr. PITNEY:

Q. Has there been any change in royalties since the patent expired on the receiver?—A. A very great change. The amount paid now for Washington last year was $12,700, or about $5 per instrument.

Q. And previous to that time it was what?—A. It has been scaled down. There has been concession after concession made until——

Q. Beginning with what amount?—A. I have not that in mind, although concessions were made by circulars from time to time until it was brought down to the present point.

Q. It is $5 per annum for each telephone?—A. Yes, sir.

Q. And how much was it when it was at the highest?—A. Twelve dollars.

Q. When was that?—A. That was up to the expiration of the main patent—in 1891, I guess, or 1892.

Q. Have your rates to subscribers gone up or down?—A. No, sir; they have not gone down because the public demand in regard to facilities has been constantly increasing, and a service that would have been acceptable five years ago would not be acceptable probably three or two years ago, and what was good enough then is not good enough now. The people demand a better thing all the time.

Q. Well, we would like to see, at the proper time, a copy of your contract with the Bell Telephone Company.—A. Yes, sir. Well, I shall take that as a part of your inquiry.

Q. I call your attention, also, to the fact, inasmuch as restrictions were placed on the use of telephones here, that your printed contract seems to prohibit the use of the telephones for news, for giving quotations of the markets, and so on, and that was evidently done under a clause which has been adjudged over and over again to be void. There have been many decisions to the effect that that could not be done, and only one decision, I think, to the contrary. In the decision in this very case against your company it was held that that part of the contract was void. That decision was made about seven years ago.—A. Yes——

By Mr. ALLEN:

Q. In the letter to Chairman Grout, where you submit some answers, it says, or you say:

The gross receipts of the company for business done in this District during the calendar year 1897 were $197,941.17. The total expenditures of the company for the same period, incident to its business in the District of Columbia, were $168,273.74; making the net revenue of the company for the District of Columbia part of its business for 1897 $29,667.43.

Will any subsequent statement you are going to make show us what this $168,273.74 is made up of?—A. Yes, sir; it will; and I can state offhand now for your information, if it would be some satisfaction to you, that the charges for that year, 1897, were larger than ordinary, somewhat, by reason of the giving away of a lot of our plant, underground and overhead, which we had to replace, and it was charged to construction and found its way into expense; and we can not take care each year of the plant with entire uniformity. We have to have a due regard to what we are permitted to do by Congress and the Commissioners, and what we have the money to do, and do it when we can.

Q. Your construction account is not charged to expense?—A. But this is not construction. Where a line of poles is about ready to fall down, and we replace them, we charge it to reconstruction, and that finds its way into expense. That is the way that is.

Q. This $29,000, then, is all that went to the stockholders?—A. That did not go to the stockholders. We did not pay to the stockholders quite all we earned in 1897. We paid a good part of it; but $29,000 was all there was for net profit, to represent what would go to the stockholders, and the surplus account for 1897 for this District.

By Mr. PITNEY:

Q. Was that after charging up the interest on the bonds?—A. Yes, sir. In railroad companies that is sometimes not done; but we add that as an expense.

By Mr. ALLEN:

Q. And a good deal of this $168,000, then, is made up of increase to your plant?—A. No.

Q. None of that?—A. It is reconstruction of plant.

Q. Do you keep a separate account of construction and reconstruction?—A. We have a maintenance account, into which all the small work goes; and then we have reconstruction, which applies to a line to be reconstructed, or a piece of line that has failed of its proper function; and those accounts, maintenance and reconstruction, at the close of the books at the end of the year find their way into expense.

By Mr. ALLEN:

Q. None of those represent any new construction?—A. No, sir. Any extension of plant, you mean?

Q. Yes.—A. No.

By Mr. PITNEY:

Q. Where does extension go?—A. In the construction account.

Q. And enters how into the profits of the company—goes to increase the assets, does it?—A. Goes to increase the assets; yes, sir.

Q. And therefore it increases the surplus accounts?—A. No; it is the surplus account that goes into all corporations.

Q. Let us hear about this one.—A. The surplus account is used for construction. The question you ask—the reason I spoke of other corporations was that the question you asked was in such shape that I wanted to get the hang of it, and wanted to get in touch with you.

Q. You can get in touch with me this way, if you will follow this question: Assets less liabilities is surplus, is in not?—A. Yes, sir—well, that depends. I would not say it always meant just that.

Q. Well, if that is not what surplus is, then I do not understand the meaning of the word as used on your books. But suppose that to be the situation. If you had $10,000 a year to increase the plant, the cost of it will come out of your funds, will be taken out of your bank account, and be added to your visible property?—A. Yes, sir.

Q. It will still figure as an asset?—A. Yes, sir; it figures, though, in your account as surplus.

Q. It figures in your account as surplus?—A. Yes, sir; althought it is already invested in plant.

Q. It is one of the assets that goes to make up the asset side of your balance sheet?—A. Yes, sir. Surplus is that which is left after paying expenses and declaring your dividend, and although a company may have $2,000,000 in its surplus account, you go to find the cash and it is not there. It is the only account on which it can draw for construction.

Q. You are speaking about a different kind of surplus now, namely, the surplus of a single year's business. I am talking about the surplus account of the company?—A. So am I. We had the surplus one year after another, and if we should have business ten years and $1,000,000 each year, we would have so much surplus, although we might not have a dollar in the treasury.

Q. It would be represented by increase of plant and so on?—A. Yes, sir.

By the CHAIRMAN:

Q. What are the other things you wish to speak about?—A. One other thing, on page 19. The impression seemed to prevail at this hearing, from what conversation took place between the members of the committee and Mr. Wight, that in addition to what the American Bell Telephone Company derived in the shape of royalties on instruments, extra territory, that they were in receipt of a large share of the company's income by reason of controlling a supply company, and

controlling the Chesapeake and Potomac Company as well. The insinuation that such is the case is a pretty grave one. It has no foundation in fact. I want to deny it now in the most solemn manner I know how, and to say that in no contract made by the Chesapeake and Potomac Telephone Company with the American Bell Telephone Company, nor in any line of correspondence between the two companies, nor by any intimation, direct or indirect, have I ever been directed or requested to purchase one cent's worth of material for the Chesapeake and Potomac Telephone Company except in the cheapest market and the best that could be bought.

Mr. DOCKERY. Where do you purchase it?—A. We purchase from all parts of the country. We purchase through our purchasing agents, after estimates have been asked for and submitted; and the copper wire, which forms such a large part of our expense, and the cable, is purchased at less than the market rate; less than we can get quotations—purchased from the Western Electric Company at less than we can get quotations by other parties, in addition to having it undergo, without expense to us, a test for uniform conductivity or tensile strength or purity of temper.

By the CHAIRMAN:

Q. You do make your purchases from the Western Electric Company?—A. Some of them; yes, sir.

Q. Principally your wire and cables?—A. Yes, sir; because I have corresponded with a Pittsburg company and with other companies about cables, and the Western Electric Company, by reason of its superior facilities, furnishes a better cable at less price than it can be bought anywhere else in the United States, and it has come to my knowledge within the last twenty-four hours that the Western Electric Company furnishes much of its apparatus, notably its bridging bell, which is used for the metallic circuit in long distance instruments, at a rate to us cheaper than it furnishes them to the Government telephone establishments of Europe.

And the Western Electric Company furnishes a switchboard for every single city in the world that amounts to anything, including Tokyo, Yokohama and other cities in Japan, and London.

Q. What share of stock does the American Bell Telephone Company own in the Western Electric Company?—A. I do not know.

Q. A majority?—A. I do not know; I have no knowledge at all as to that.

Q. Well, the fact is, from your statement as I understand it, that you do make your purchases principally from that company, simply because you can get the material for less. Is that correct?—A. From the largest——

Q. Is that the fact?—A. Yes, that is the fact; but we do not confine our purchases to them. In place of going to them, we make the purchases direct where we can.

Q. Where else, within the last year, have you purchased? From whom else have you purchased?—A. I am preparing that list, and it is a very elaborate one.

Q. You will show us other purchases, will you?—A. Yes, sir.

Q. And you will show us the amount purchased from the Western Electric Company?—A. Yes, sir.

By Mr. DOCKERY:

Q. Do you know whether or not the American Bell Telephone Company has any stock in the Western Electric Company?—A. I do not

know, but I wanted to state at as early a time as possible the facts in connection with this thing, because it is being printed, it is going broadcast, and the statement that the Chesapeake and Potomac Company has a management that does not manage for all the stockholders, but only in the interest of the Bell Telephone Company, is too serious a thing to pass unnoticed, and I desired to get this disclaimer on the record as soon as I could.

Q. It seems from your statement that you purchase a large part of your supplies from the Western Electric Company?—A. Yes, sir.

Q. And I understand you to say that you do not know whether the American Bell Telephone Company owns a majority of that stock, or, in fact, any part of the stock?—A. No, sir.

By Mr. HEMPHILL:

Q. Do I understand you to say you bought from that company cheaper than they sold to foreign countries?—A. I was told this morning that they sold to us cheaper than to governments over in Europe. Mr. Wight was led into saying the other day that the telephone company had sized up the subscribers' pockets and had simply got all it could.

Mr. PITNEY. He did not use that language.

The WITNESS. I will read from the record:

Mr. PITNEY. Before you close I want to ask you if I correctly understand your historical deductions from this investigation so far as you have carried it on. If I understand it, there seems to be in each of these cities, upon the introduction of the telephone service, the agents of the parent company have investigated by inquiry among citizens who desire the use of the telephone, and have endeavored to find out how many subscribers they could get and how large a charge they would submit to, and have fixed the rates; in other words, simply by direct association with intending subscribers.

Mr. WRIGHT. Yes; they have done the best they could in each town, so it seems.

Mr. PITNEY. That should be negotiation instead of association.

The WITNESS. So much for that. It was not the case at all. The telephone is a matter of evolution, like everything else. Now the rates, so far back as I can remember, in 1882, were $25 for a telephone without any messages, and 400 messages at $18, making $43 for a telephone with 400 messages on a grounded circuit, with 8 stations on a line. A better service to-day is furnished on a metallic circuit with 600 messages for $2 in advance of that, or $45, with only three persons on a line.

Now, the statement was made here before the committee that the rates were $40, and afterwards changed to $60 and afterwards to $80 and then to $100. That also is a mistake. The rates in 1883 were fixed for residences, with a grounded circuit wire, $72; with two people on a line, $60 each, or with three people on a line, or more, $48 each; and for business, $100 for a special line; $80 for two on a line, and $60 for three or more on a line; and those rates as to grounded circuit remain to this day, not one single change of any kind having occurred, any statement to the contrary notwithstanding.

The only change which was made, and which probably led to the mistake in this matter, is that when we were compelled to put wires underground, these telephones that were two or three on a line would not work, so they were gradually weeded out, first an unlimited number on a line, then when there was only two on a line, until they came to the single line, the rate for which was fixed in August, 1883, and since that time there has not been any change.

By Mr. PITNEY:

Q. I suppose some of these people think in fifteen years they ought

to get some benefit of a reduction.—A. There is also an increased expense; a very large increased expense.

Now, the statement was made in the hearing on the 10th, by Mr. Birney, as follows:

In Augusta, Ga., the Bell Company—I do not know the number of telephones it had—used to charge $66 for business purposes. The Automatic Telephone Company came into competition there, and, as I understand it, now have about 850 telephones in use, and the rates charged by the Automatic Company are $36 for business and $24 for residences. The Bell Telephone Company at that place now only charges $30 for business and $18 for residences, and it has substantially given up business there, as I am informed. I understand the Bell Telephone Company has substantially gone out of business at that place.

That is just this nearly true, that on the 19th of February the Bell company had 748 telephones in Augusta. In 234 of these premises where the Bell Company's telephones were located the opposition also had telephones, and it also had 168 telephones in places where the Bell Company had none. In other words, the Bell Company had in operation on the 19th day of February 748 telephones and the other company 402, with the one week's contract signed for five Bell telephones that had not been connected. And as to the rate, to show you how near this is correct, the business rates there for a party line, Bell telephone, are $18 to $33; single wire, $48; metallic circuit, if paid in advance, $54, and if paid quarterly, $60; residence rates, grounded circuit, party line, $12 to $25; single wire, $36; and the rates for the opposition company are $33.33 a year, if paid yearly in advance; otherwise, $36 if paid quarterly; and the residence rate is $25.

That shows that in that paragraph I read, according to this statement, the only words that can be relied upon are those that refer to the name of the company.

By Mr. ALLEN:

Q. Where did you get that statement that you now refer to?—A. From Augusta. I have an additional statement from them. The opposition company have suspended work entirely this week. Reason given, waiting for material. They have had four reels of cable and about one-fourth a carload of copper C. O. D. for six weeks. Signed by the manager.

By the CHAIRMAN:

Q. How did you come to get this statement on the 19th of February?—A. I got this statement from a director of this company who is here in Washington.

Mr. HEMPHILL. In which company?—A. The Southern Bell Telephone Company. This is the Southern Bell. We have the whole thing detailed in one statement.

By Mr. PITNEY:

Q. Of course in that case we have to rely on hearsay evidence.

The CHAIRMAN. Mr. Hemphill may want the direct evidence produced.

The WITNESS. We can get an affidavit from Augusta as to this.

Mr. WILSON. That shows the importance——

Mr. HEMPHILL. My man was an independent man, while yours is an officer of the company.

Mr. WILSON. That only emphasizes the fact. I said that we find the facts.

The WITNESS. One word more. The Interior Department was gone into day before yesterday. It was said from one of these labor papers—

I do not know where it was published and I do not know where that paper is now, but I see the article was copied. It stated that the Interior Department in Washington paid the Bell Telephone Company from $60 to $125 apiece for the telephones it used; that then the Department installed its own system, and it gives here the cost per telephone as $10.75, or a saving of $64.25 on each instrument. Inasmuch as the instruments only cost them $60 apiece there could not be a saving of $64.

Mr. PITNEY. They ranged from $60 to $125?

The WITNESS. It does not refer to this, because none of those were replaced; none of those $125 instruments were replaced. Now, the Interior Department system was advertised for and we were asked to bid on it, and I did, but I was not successful, and it was for a magneto system, because they did not want to run the risk of getting counter to the Berliner patent; but when the contractor was asked to furnish the instruments he could not do it, and he asked the privilege of superseding a microphone for the magneto, which he could not furnish. The system was put in operation about three years ago, and to-day it is not worth putting into the junk heap. Not more than 20 per cent of the instruments are working at all, and not one of them is working well.

The Government paid $7,000 or $8,000 for that system. I will venture to say that there is no telephone man, whether he belongs to the Automatic or the Home or the Bell Telephone Company, would go and bid for the Koehling construction. Mr. Koehling's name has been brought in here is the reason I mention that, as the representative of the Western Construction Company. Not one telephone man who knows anything about the business would give $50 for the entire outfit. And, as a matter of fact, the service when it was at its best only communicated imperfectly between the rooms of the Patent Office Building and between the rooms of that building and the rooms of the Department located in other parts of the city. The system did not communicate with any other department except those bureaus belonging to and under the control of the Interior Department. It was confined to that, and none of their wires got into the exchange, and never could get in. We had, and we have now, a switch board in which, well, probably two-thirds of all the sixty-odd instruments we ever had in the Interior Department are still connected with our switch board, so that people can get outside as well as inside communication, and the metallic circuits are still in the same place. The different bureaus of the Interior Department have been for the past year laboring with me to see if I could not do something or make some provision that would be acceptable so as to give them service, considering the fact that they had spent so much money and had gotten nothing.

By Mr. ALLEN:

Q. Are they not using this system at all now?—A. They are endeavoring to use it, and the chief clerk of the Geological Survey——

The CHAIRMAN. They use it among the different buildings, don't they?—A. They do where they can. They had 140 sets of instruments, and I think it is safe to say that not over 20 per cent of them will work. A verification of that may be had from the chief clerk of the Pension Office and of the different bureaus of that Department. Mr. Evans, of the Pension Bureau, and his people in the Pension Office, and the Geological Survey people can tell you about it.

That, gentlemen, is all I have to say.

Mr. HEMPHILL. Before the committee adjourns I want to submit here

a statement by Mr. Sidney Hand Browne made to Dr. Louis Duncan, consulting electrical engineer, with reference to the business in Augusta, Ga. There seems to be some discrepancy between that and the other statement.

The letter is as follows:

AUGUSTA, GA., *November 23, 1897.*

DR. LOUIS DUNCAN,
Consulting Electrical Engineer, Baltimore, Md.

DEAR SIR: According to your instructions I have carefully examined the telephone plant installed in the city of Augusta, Ga., by a local company operating under the name of the Augusta Telephone and Electric Company, with offices in the Dyer Building, and using the instruments made by the Strowger Automatic Telephone Company at Chicago.

I have also met and conversed with a large number of prominent merchants and professional men of that city during my stay there, obtaining in this way a good idea of the service that this telephone company has given the public for the eight months they have been operating.

There is in Augusta a rival company operating under Bell patents, and up to the time the Strowger system was put in operation the service they had given was so miserable and unsatisfactory that the automatic company has had no difficulty in obtaining subscribers, until they have now about as many as the Bell Company and will soon have many more, in spite of the fact that they are charging one rate of $33.33 per annum and the Bell Company have reduced their rates from $66 per annum to $25 and $30, and in many places leaving their 'phones free of charge rather than take them out when told that they would no longer be paid for.

The service given by the Strowger exchange has been excellent. They have at present 375 subscribers and are making preparations for the installation of instruments to take care of 400 additional subscribers.

The Bell Company has about 400 subscribers.

The automatic exchange occupies a room about 15 by 20 feet, which includes the distributing board, and they will, by moving a partition and increasing the room to 15 by 30 feet, have ample space for an exchange of 1,000 subscribers.

It has been practically impossible, during my stay, to accurately average the number of calls per day of twenty-four hours, but during the busy five hours of the day the exchange averages six calls per minute. This would give just for those five hours 1,800 calls per day or about 1,125 calls for each instrument during the eight months that they have been in operation, and yet the instruments show no signs of deterioration other than that in a few places there is a spot of rust where the nickel has been too thinly plated. All of the contact points seem to keep bright.

Of course, the number of the business instruments have three or four times this number of calls, but there is no appreciable wear that you can see.

Further than the replacing of two or three magnet coils that were burned out by a cross with a light wire on the street, I have not seen any repairs made, although I have spent the greater part of my three days' stay right in the exchange.

They have on hand almost nothing to use for repairs other than some mica washers, hard fiber bushings, and a few small screws and nuts.

They have for the operation of the entire plant a general manager, superintendent, one switch-board tender, and one lineman. The switch-board tender is on hand from 7 a. m. to 10 p. m., and the exchange is locked up for the rest of the time, including Sundays.

The pole lines and cables have been very substantially erected. The cables are all made up of No. 20 B. & S. gauge wire and the third common return battery wire is a No. 14 B. & S.

Their longest line is 16 miles for the complete loop. They use on this line a repeater very successfully, although they expect to do away with the necessity of this by having their magnets wound with a higher resistance. The average length of a loop is about 2 miles.

They have adopted an ingenious method to save their batteries when a subscriber fails to hang up his receiver or hangs it so that the battery circuit is not opened, which is, as you know, closed after talking, until released by the weight of the receiver.

The exchange is located in the center of the town where the dust is considerable, but the instruments are dusted only once a week, although they are not in a glass case as shown in photographs of some of the automatic exchanges. From what I have heard and seen here I believe that, with a few minor changes in the exchange mechanism, their larger switch board can be made reliable and cheap in operation and maintenance. Such things as set screws working loose should not occur, as there is only one position for the screw and it should be fastened permanently. Such things

as this are fast being found out by these people, and they have to-day a much better switch than was at first sent them. The cost of maintenance of the exchange has been nothing to speak of outside of the attendant's salary, as any defective magnets or springs are replaced without charge by the manufacturers.

The amount of current used can only be estimated from the instruments I have at hand from the battery charged.

They have a battery of 48 cells, each 40 ampere hours, and the average charging current is 3 amperes for four hours each day. It takes about four-tenths of an ampere to operate one of the switches.

There is a Western Union man down here investigating it. The local Western Union offices have been given orders that they could not subscribe to this telephone service, and they have found that it has affected their business seriously. There is no Bell telephone in any of the cotton factories here or in the offices of the Georgia Railroad and the Southern Railroad companies. I am told by Mr. Cumming, general counsel of the Georgia Railroad, by Mr. Bowde Phinizy, editor of the Herald, and a number of other prominent people, including druggists, doctors, and the police department, that the automatic system has proven better and quicker than anything they have ever had, and has won for itself a permanent place even if it should cost more than the Bell telephone.

The instruments in the exchange and outside have been bought and not rented by this company, the capital being put up in the main by one Augusta man and three New York men. No attempt has been made to sell the stock to the subscribers, but it is simply a private business venture, and the venture has evidently proved very successful.

Very truly, yours, SIDNEY HAND BROWNE.

Thereupon, at 1.30 o'clock, the committee adjourned until Monday morning, March 14, 1898, at 10.30 o'clock.

MONDAY, *March 14, 1898.*

The committee of the House of Representatives appointed to investigate telephone and gas charges in the District of Columbia this day met, pursuant to adjournment.

Present: The chairman and all the members of the committee; Mr. S. M. Bryan, president of the Chesapeake and Potomac Telephone Company; and counsel, Mr. Jere M. Wilson; Messrs. Hemphill and Birney, representing the Citizens' Association.

S. M. BRYAN resumed the stand for further examination.

The WITNESS. There are several things that I desire to take up, not because they are in themselves important, but because they show the utter unreliability of the statements of counsel on the other side. There was a pamphlet submitted here with a table supposed to be, or alleged to be, compiled by the Standard Cable Company, of Pittsburg, as to construction. We find in that table an estimate for a line of poles 60 feet high, equipped with 200 wires. There would be the appearance of a pole equipped that way, only 12 feet clearance between the ground and the first cross arm, to say nothing of where the last brace would come, 12 inches below [exhibiting drawing].

Another thing; there is no line of 60-foot poles that can be erected.

Mr. WILSON. Is that practicable?

The WITNESS. This is impracticable, whether on a street or in an alley. It is impracticable on a highway, because no county commissioners in the United States would permit a line to be constructed along the highway with only 12-foot clearance.

Mr. PITNEY. Between what? Between the ground and the first cross arm—the first cross arm bearing wires?

The WITNESS. Yes; there are three arms there, as examples; and here is where the other seventeen would go to make that a 200-wire line.

Q. They do not put 200 wires, as a matter of practice, do they, on one pole?—A. It has been done, and it is estimated here, and a great deal of stress is laid on the fact that the 200 overhead wires and the under-

ground cost about the same thing. I suppose the inference they attempt to draw would be that an overhead line bearing less than 200 wires would cost less money.

Q. How many do they put on a cross arm?—A. Ten. What I am endeavoring to show is the utter unreliability of these data. I can not get away from this estimate. If it is copied correctly in the record, and I assume it is, it is entirely erroneous from start to finish. Another word about a 60-foot pole line. There can not be a line of 60-foot poles built that will bear the strain of 200 wires unless the line be in such shape that each pole can be guyed from at least three points, either by anchor guys to the ground or by long stakes to which anchors can be attached.

Q. You have overhead construction. How high are your poles——A. If you will allow me, these statements are on record, and I would like to reply to some of them for a moment.

Mr. PITNEY. I will reserve my question until later.

The WITNESS. Now, that 200-wire line, so far as the poles are concerned, bears its own explanation in this illustration here and what I have said.

They have, in this estimate here, put down $1.25 for putting in the ground a 60-foot pole. We know, of the past fifteen years' experience, that a 60-foot pole can not be planted 8 feet deep in a city, as it must be to stand the strain, with the gang of men necessary to handle it to prevent danger to passers-by and any material thing that happens to be near, at less than $10 a pole, or eight times the price that is here given for the erection of a 60-foot pole.

In the matter of cross arms there is not quite so much difference. Thirty-five cents is given. We pay 45 cents. The price of attaching cross arms to poles is given at 10 cents, and we are glad to get off with an expenditure of 25 cents.

The greatest diversion from the facts is the smallest item in the estimate, namely, braces and screws, which are estimated for at one-third of a cent. Those braces are made of steel, galvanized, and it requires three bolts to each set of braces, one bolt on one side of the cross arm, as shown there [indicating]; another here; and another to bolt it to the pole. The estimate here is one-third of a cent for all that. It would not pay for the bolts themselves, and we can not do it if done by wholesale, with men especially engaged on that, without counting broken time, at less than 5 cents a set.

The next item is in the matter of insulators. There are a good many insulators on a 60-foot-pole line and they have made the cost 1⅛ cents, while we are very glad to pay 2¼ cents. The next point is the statement of Mr. Birney that the relative yearly cost of the maintenance of overhead wires and underground cables is tremendously in favor of the cables—namely, about 10 per cent for overhead wires and from nothing to not over one-half of 1 per cent for cables.

Can it be possible that any man who has lived to reach the age of 21 years can for a moment suppose that any material could be produced for any purpose under the sun on which the depreciation would be from nothing to one-half of 1 per cent? It is a practical impossibility for such to be accomplished, and the man who accomplishes it will be so far toward the solving of the problem of perpetual motion that he will not need any more money.

By Mr. PITNEY:

Q. Does that question relate to the depreciation of plant or cost of maintenance?—A. I read what he said, "is tremendously in favor of

cables, namely, about 10 per cent, maintenance of overhead wires, and from nothing"—that is, the maintenance ranges—"from nothing to one-half of 1 per cent per annum."

Q. You understand "maintenance" to be intended to cover depreciation of plant, do you?—A. I understand the depreciation or decay of the plant when it is installed. A plant is never new but once.

Mr. BIRNEY. That is a quotation, also, from that pamphlet.

The WITNESS. It shows distinctly that they are in the cable business, and they have been since the time when they came into this appropriation committee and insisted on appropriations for cables that they laid as a free gift for the Government, and finally got it through, although I testified in the previous year, before Mr. Randall and Mr. Forney, that the cables were not serviceable, as was proved to be the case within three years afterwards; and they are now abandoned.

The same company's product was put down between the Capitol and the different Executive Departments, and connected with the Smithsonian Institution, and not one single foot of it is in use to-day, or has been in practical use for the past ten years.

Now, on that subject of depreciation, it is proper that I should read Mr. Tompkins's report:

To ascertain the proper allowance for depreciation of plant and in determining the cost of service, I obtained estimates from several of the larger telephone companies and from engineers familiar with telephone construction. The amount allowed, $2.82, on underground cost of plants is, I think, a conservative one, and probably considerably below what would be found to be the actual depreciation. Indeed, it is now claimed by many of the leading telephone managers that the average life of a telephone plant as a whole, excluding only iron or tile underground conduit, does not exceed $10.

Mr. Birney also calls attention to the hardships that, for example, a coal merchant endures when he sends a man out with a load of coal with an incorrect address, thus, by implication at any rate, fixing upon the telephone company the responsibility for the errors of a business house that happens to be a subscriber to the telephone. It is pointed out to the committee as a great hardship that 10 cents should be put by a driver in a slot uptown somewhere to find out what the correct address is. But Mr. Birney fails to point out to you that this slot machine which he talks about yields no revenue to the company except such 10-cent pieces as may be dropped in in this way. We do not charge a big price for public stations. In fact, we charge nothing for public stations. On the other hand, we do give to the druggist who has the public station in his drug store the privilege of making free calls to physicians or other druggists as compensation for permitting our public station to be there, or we give him 25 per cent of the gross receipts of the station.

Mr. BIRNEY. Don't you require him to guarantee a certain sum?

The WITNESS. We say to a man whose place of business we do not have confidence in that we do not believe that a public station at his place will pay. If he assures us that it will we tell him that if he is so sure of a matter which we have no means of ascertaining the facts about he shall guarantee $10 a month, because that is the least for which a public station can be kept up, the collections made, the accounts made up, and the automatic machine kept in order.

By Mr. PITNEY:

Q. What is the average income from a public station?—A. The average income from a public station is about $10 a month, but we have public stations yielding only $1.50, and those stations must in the natural order of things inevitably come out, because they can not be

maintained at any such price as that. It would not keep the battery in order.

The reason for the establishment of these public stations has never been stated to the committee, and I propose to throw a little light on that. Previous to last spring—about this time it was—druggists had flat-rate public stations. What I mean is, they paid $125 a year, $25 more than the regular grounded-circuit special-wire rate, and their stations were used by everyone who chose to use them. That became such an abuse that a drug-store telephone was made to serve a dozen or twenty square blocks, for marketing and for every purpose for which the whole neighborhood desired to use a telephone, and the cost of maintaining it and operating it was out of all proportion to the money received. By an agreement with the druggists we removed those telephones, relieving the druggist from the payment of this $125 per annum, and put in their stores the automatic machine, upon the condition that everyone that used the telephone should pay, except the druggist, who should call with entire freedom on all other druggists or for physicians.

In addition to that they were to have (as all public stations, whether in drug stores or elsewhere, have the right to make) the right to make emergency calls free—hospital calls, fire and police calls, and things of that character. That is done at the New York public stations, and we have always permitted it to be done here.

Now, I had a table prepared which will show that, in many drug stores, for every pay call there have been from three to fourteen free calls, showing that, in perhaps twenty stations that I could name, our receipts for each call made have only been about 1 cent.

Q. How large a proportion of the public stations would that statement cover?—A. I think that would cover about twenty of them—somewhere worse than that.

Q. How many are there altogether?—A. One hundred and thirty-two, I think, but I am not sure without consulting the record.

Q. Are those twenty subject to the guarantee of $10 a month?—A. No, sir.

Q. If they were subject to that guarantee, you would receive $10 a month from each?—A. If they were subject to the guarantee. If a man desires to have a public station in his place for public convenience, and is going to make up the difference between what is deposited in there and $10, it is fair, but we should have the right, it seems to me, to decline to put in a pay station where there is no possibility of its paying expenses.

By Mr. ALLEN:

Q. A pay station is a station where anybody can go and use the 'phone by paying for it?—A. Yes, sir. In other words, it is distinguished from a subscriber's telephone station in this: That pay stations are stations put up by the telephone company for the public convenience, in order that a man passing along the street may find a public station, and by depositing a dime in it may have a conversation with anyone he desires to reach by telephone.

Mr. PITNEY. They are called pay stations?—A. Yes, sir.

By Mr. ALLEN:

Q. In the drug stores they have stations for their own use besides those pay stations?—A. Well——

Q. Are they exclusively public stations?—A. There are exclusively public stations of two kinds; in one kind we give as compensation to the druggist the right to call free to any other druggist or for any doctor. They said that that was about all the business that they had to do, and

yet those free calls have outnumbered the pay calls right straight through the whole system.

By Mr. PITNEY:

Q. Do you mean to say in the 130 pay stations they outnumber them?—A. No, sir. I said in 20 the proportion would be very large, but the free calls outnumbered the pay calls in every station where that arrangement exists, and in some it ranges as high as 14 to 1. One word more about the establishment of those public stations.

Q. You have that table, have you?—A. It is at my office.

Q. Does it cover the 130 public stations?—A. It covers all the stations that are in the drug stores where there are any free calls, where the arrangement exists of free calls; that is what we are now talking about.

Q. It mentions the name of each drug store, does it?—A. Yes, sir. One word more about the establishment of public stations. I complained a good deal, or made a suggestion from time to time, to our subscribers that they were allowing their telephones to be used too much by outsiders, and I was met with the statement that we were not up to the times; that if we had public stations that could be used by anyone, strangers or residents, located at convenient points throughout the city, this stealing of service would stop, but that those public stations should be the best that could be established.

It was in response to that suggestion that the druggists were approached to change their contracts, and they did so without any hesitation, because it saved them this $125 a year. It was a direct outlay, without any corresponding benefits. I established 132 stations, I think, with metallic circuit wires and long-distance instruments and the most approved battery and appliances, fully equal to any telephone service that the present state of the art will furnish, located those stations at different points from the Potomac River almost to Piney Branch, on the Fourteenth street road, and out Seventh street road to Brightwood, even to Takoma Park, and from the western confines of Georgetown to the navy-yard. The result, except in a few cases, was far from encouraging. In the outlying points the public stations were patronized very liberally, but in the thickly settled portions of the town, where a man could go and get his service from his neighbor without paying for it, the receipts were practically nothing; and as an instance of that we had less than $1 (I remember on one occasion) revenue in a public station located in the Hotel Cochran.

One word more about the outraged coal man who makes a mistake and can get no relief from the telephone company. For such purposes we have had made a token. It is in size a 10-cent piece, but it has a hole in the middle of it so we will not be thought to be counterfeiting. Those tokens are sold at $8 a hundred. They were obtained with the idea that this place would be like places in the North, where persons desire to use such things or allow their employees to use them, and for the purpose of making the coal dealer safe in giving to his driver two or three of those dimes, which he could not spend for beer, and he would have to account for in probably a straighter way than so much coin given to him; but we have had no applications from dealers of that kind that I have heard of.

By the CHAIRMAN:

Q. How long has it been since you provided those tokens?—A. I suppose three or four months; four months, likely.

Q. And all the subscribers were notified of the fact, I suppose?—A.

All the public stations; and the fact that they are provided is known generally throughout the town now; the druggists purchase them because they purchase them at 8 cents and get some compensation for making change. When asked to make change for persons who want to put dimes in the slot they get 2 cents each time for their trouble. Now, the statement was made here—I do not know why such statements are made when it is just as easy to make them in some other form or get them in the concrete at least—that a gentleman heard something of a fire that might be in his neighborhood——

Mr. WILSON. We would like to know who that man was.

The WITNESS. Yes; we would like to know who he was.

Mr. BIRNEY. Dr. Mertz.

The WITNESS. I supposed it was, and upon that supposition I yesterday ran that thing down. Dr. Mertz did not attempt to call any telephone near his place. The committee has this advantage of me, Mr. Birney—that I am under oath when I make these statements.

Mr. HEMPHILL. Have you been sworn?

The WITNESS. Yes, sir.

The CHAIRMAN. We propose to swear all witnesses, but you lawyers have not been sworn. We consider these lawyers as under oath already.

The WITNESS. One afternoon about 5, or possibly 6, o'clock, I was called up by Dr. Mertz, and was told he had a complaint to make against the operating department. He said that he heard the fire bells ringing, and that he lived out a good ways from town, and that he had asked the operator to inform him where the fire was. I will explain that up to the 18th of October it had been the practice of the exchange—an abuse that grew up with the demands of the subscribers, or others who were using subscribers' telephones, in the complaisance of the operating department—there grew up a practice of furnishing information about boat races and baseball games and the location of fires and other things.

Mr. WILSON. In other words, the operators would be called upon to furnish that information?

The WITNESS. Yes, the operators would be called on to furnish that information, and it is not in the line of the operator's duty.

On the 15th of October I was informed by a newspaper man who had been out late, that on the night of the fire at the power house it was impossible for him to get any connection through the exchange; that he found out that his wires were all right, but that the demand on the operators for fire news was so great that the legitimate business was clogged, and in his case practically stopped. That led me to write this letter, and I read it only because it is directly connected with the Mertz case:

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
Washington, D. C., October 18, 1897.

The CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
Mr. B. L. Nevius, Jr., Chief Operator, Washington, D. C.

DEAR SIR: It having been brought to my attention that the Washington Exchange, through its operating force, has been made the medium for disseminating base-ball news, boat-racing news, information as to the location of fires, etc., all of which is not in the line of duty of the operating force, and it being apparent that the attention of the operators to this extra, unauthorized, and illegitimate work slows down the service and causes at times great inconvenience to those asking for legitimate connections with other subscribers, you are hereby instructed that, from and after this date, the operating force under your control, at all hours of the day and night, shall confine itself exclusively to giving connections asked for by subscribers.

If information is asked for in regard to the matters above enumerated or any others

of like character the operators shall, as soon as he or she can ascertain that a regular connection is not asked for, refuse to carry on further conversation with the person calling.

A first violation of this rule shall subject the offender to an admonition, for the second offense four weeks' suspension from duty without pay, and for the third offense dismissal shall be made in any case.

This rule is not to apply to the officers of the company nor to the electrical and construction departments, who may find it necessary to have such information in order to protect the property of the company; but in all such cases the information shall not be given by the operator, who is not to know, or, at least, is not supposed to know, anything about the subject, but these last-mentioned calls shall be referred to the chief operator or the person in charge of the exchange at the time.

The WITNESS. Now, the next paragraph refers to the matter explained by a word. The Star publishes—or, as I understand it, it is the same people who manage the Star—a bulletin several times a day, and it is for furnishing news between the regular publications. I say in the last paragraph of my letter:

In addition to the objections urged above the disseminating of information by the Telephone Exchange comes in direct competition with those who have, I understand, devoted considerable money and time to the establishment of a bureau or bureaus through which the public, by means of its or their publications or otherwise, may legitimately and properly receive such information to which these instructions relate, and such competition is undesirable from every point of view.

Yours, very truly,

SAM'L M. BRYAN,
President and General Manager.

Mr. Mertz, in making his complaint, said he thought it was an outrage; that he had always had the information asked for; and I then explained the case to him and read a portion of this letter to him over the telephone, in order that he might understand that we were not discriminating against him, but that it was in pursuance of an order made necessary by all the circumstances. The statement in the hearing on Friday would seem to indicate that the company refused a subscriber the right to talk to his house or to any house near his house about a fire, because it was not on his business; but such is by no means the fact, because Mr. Mertz has a flat-rate telephone, through which he can call every other telephone in the District, including pay stations, free of charge and without limit. It may be inconvenient to the community not to be furnished the time of day by the exchange clock, which is kept in touch with the Observatory time, and it may be inconvenient for others not to receive the latest base-ball bulletins; but if we are to do a telephone business in a way satisfactory to all concerned we must take into account just what the telephone operators are employed to do and see that they do it in the best way that we can devise.

By Mr. PITNEY:

Q. Do not let me interrupt you; but suppose I was a telephone subscriber living near the baseball grounds—one who would naturally be in receipt of the first news from the field—and an evening paper having a telephone should ask me the news for the purpose of putting it in the paper, would it be a violation of the contract for that paper to receive the news over the telephone?—A. There is no limitation as to that—

Q. I understand there is one. The telephone contract prevents any person from gathering news for sale.—A. Well, that part of the contract I have never paid much attention to. The part of the contract we pay attention to, and which contains about all there is, is embraced in the large type below those two columns of small print, and inasmuch as no telephone subscriber or user in the District of Columbia has ever been called down by reason of a provision of that kind, it seems to me it is hardly worth while to discuss that branch of the contract at all.

Q. I suppose one part has as much force as any other part. I called your attention the other day to the fact that the courts have repeatedly declared that that part of the contract is void, and yet it is put in every contract—ten years or more after those decisions have been rendered. I do not know why it is put in there unless it is intended to be enforced or to give the subscriber the idea that it is intended to be enforced.

Mr. WILSON. I think we are getting away from the point. Mr. Mertz complained here that he was not permitted to communicate with some subscriber, to ask that subscriber whether or not there was a fire in his neighborhood. Now, that is not the fact in the case. The fact in the case is that Mr. Mertz was not seeking to communicate with some other subscriber and get information, but he was trying to get information from the operator in the telephone office. Mr. Mertz was asking the operator to give him information.

The business of the operator is not to be distributing information over the city. The business of the operator is to connect subscribers with each other so they can talk. So if Mr. Mertz had asked to communicate with anybody at Mount Pleasant, or wherever else it may have been, he would have been connected, and he would have gotten the information he wanted. What he was trying to do was to get information from the operator, which is not the operator's business to furnish, and if that thing were permitted, you will see in a moment——

Mr. PITNEY. I understand that. My inquiry had no relation to the case of Mr. Mertz. Mr. Mertz's case was cited, and perhaps that was a question supposed to bear on the reasonable use of the telephone, and my question was intended to relate to that.

Mr. WILSON. But Mr. Bryan is answering this specific complaint made by Mr. Mertz. What he wanted was just what I have said. He wanted that the operator should turn himself into a disseminator of news. That is not the operator's business, and you can see at once that if that were permitted the time of the operator could be taken up entirely, to the disadvantage of the business of the company, and therefore this instruction that was given by Mr. Bryan that the operators confine themselves to their business and not act as venders or disseminators of news was correct.

Mr. PITNEY. I suppose if there was reasonable privacy in the use of telephones the central operator would not have any more information than anybody else——

Mr. WILSON. He complained the operator would not tell him.

Mr. PITNEY. I can understand that in Mr. Bryan's claim; but we are not trying an indictment on a specific charge; we are making an investigation.

Mr. WILSON. Certainly; and when a complaint of that kind is made, you want to know the truth about it.

Mr. PITNEY. Certainly we do.

Mr. WILSON. That is what we are trying to give you—the truth in regard to that particular case which was mentioned by Mr. Birney as an illustration of the refusal of the company to discharge its duty to its subscribers or the public. In due time we will meet these other matters in relation to the contract.

The WITNESS. Now, I desire to invite the committee's attention to the fact that the statement made by Mr. Birney in relation to this important message to New York, this Treasury case——

Mr. PITNEY. Pardon me for another interruption. If you will get from the clerk of the committee a copy of the printed sheet, and will refer to that, that will be better than giving the type-written pages.

The WITNESS. What I desire to say in regard to that Treasury

matter is that the statement is being made the foundation for editorials distinctly hostile to the company. While Mr. Birney's remarks were supposed to be in the nature of an opening, for every remark that would appertain to an opening there is a page of evidence—what is taken for evidence—and published so all over the country.

I understand that Mr. Birney is bound to secrecy in regard to the name of this man. If it was given to him in confidence and he has repeated it, I do not see but what he has broken it, or at least chipped that confidence to some extent. We ought to have the name of the man, because I want to find out if there is a high Treasury official who could have a complaint as serious as that and not bring it to the attention of the telephone authorities; and I want to denounce as untrue every syllable of it—that part of Mr. Birney's statement—of the statement that was repeated to Mr. Birney, that the person calling New York first communicated with me to know if the line was clear. That is not part of my business, and I do not know anything about it. I am only in that building as a mere incident. The exchange might as well be in some other building as in that building. I am as much separated from the Washington exchange as I am from the Baltimore exchange, so far as my relations to it are concerned. So it is not only untrue, but it is on the face of it improbable, that the president of the telephone company would be called up by a Treasury official to be asked a question about which he can, in the natural order of things, know absolutely nothing.

I should think that, considering the harm that has been done by the circulation of this slanderous statement, the telephone company has the right to ask that the committee use all means at its command to obtain the name of the officer.

Mr. WILSON. Probably Mr. Birney will give us the name this morning.

By Mr. PITNEY:

Q. Don't worry so much about what the newspapers say as to prevent you from giving us the information we seek. The newspapers, I think, are dealing fairly in the matter.—A. Did you not see an editorial in the Star of Friday or Saturday—I forget which day now—in regard to this very thing?

Mr. PITNEY. I usually read the editorials and I have not seen any severe criticism upon the company; but even suppose there is such criticism in the editorials, how many remember them after they read them?

The WITNESS. The newspapers bring on war, and make peace, and all that sort of thing.

The CHAIRMAN. Yes, in the papers. We are trying to do this thing for the benefit of the public——

The WITNESS. And it has been stated that they elect members of Congress and defeat members of Congress, and they can certainly do harm to the telephone company if they aid in the disseminating of what is untrue about any alleged statement.

Mr. PITNEY. You might make a statement in the newspapers. I have no doubt they would publish it.

The WITNESS. I can not run a telephone company, and attend this committee, and write to the newspapers, too.

Here is something furnished as evidence by Mr. Birney that by no means can be construed as part of an opening. He says of the Chesapeake and Potomac Telephone Company, as well as the other licenses of the Bell Telephone Company:

With its owning 55 per cent of the stock, having a number of the directors—perhaps a controlling number, I do not know as to that—officers of the American Bell Telephone Company, charging royalties to the very large extent stated in this report of 1891, it being there nearly 75 in that year, and supplying all the material and electrical supplies which the Chesapeake and Potomac Company use, we say the situation is this: That the company is simply able to say to the minority stockholders, "We will allow you so much on your stock, so much in dividends, and all the rest we will take, either in the form of royalties, dividends, profits on our electrical supplies, or salaries."

Now, that is not the first time that that has been intimated. It has never been stated positively, but everything that could be said in that connection on four or five different occasions has been insinuated, and I supposed my standing, even with our friend Birney, was sufficiently good to warrant him in withholding a repetition of this statement after I had stated what I did under oath here on that subject.

In appearing before this committee I am the president of the telephone company, but I am also a stockholder in it—quite a large stockholder—and if any of these things that have been alleged here in relation to any dishonest combination were true, certainly, with my opportunity of knowing where the Chesapeake and Potomac Telephone Company stood, I would not have invested hard-earned cash in that stock.

Mr. DOCKERY. I do not understand that Mr. Birney in his evidence charges Mr. Bryan with any dishonesty. As I understand it, by reason of having a majority of the stock, they could do these things, having the controlling interest; that is what I understood his testimony to be—not that there is any dishonesty.

Mr. PITNEY. The statement of Mr. Birney is on page 57 of the printed testimony.

Mr. DOCKERY. As I got the reading of it, it was referring simply to the power that could be exercised by virtue of the controlling interest. That was the way I understood it.

Mr. PITNEY. That is it.

Mr. DOCKERY. Not that it charged any dishonesty.

Mr. PITNEY. "We say the situation is this"—I am reading from Mr. Birney's testimony—"that that company is able to say to the minority stockholders"——

The CHAIRMAN. And Mr. Birney's statement simply says it is possible; he does not specify even in his statement that it has been done.

The WITNESS. He says that accounts for those very large items which are found in this report. His closing sentence in that paragraph——

The CHAIRMAN. Argumentatively, you might work that inference out of it.

The WITNESS. He simply says that the state of things he has outlined accounts—not that it may account—but that it accounts for those very large items which are found in this report of 1891.

Mr. PITNEY. Suppose, instead of denying his conclusions, you treat of the facts that go to make up his conclusions?

The WITNESS. We are preparing now a statement of every single purchase made for 1897, and we can go back to 1891, if you want it. That would be an almighty big thing, and I do not think you will want it.

Mr. DOCKERY. You are preparing——

The WITNESS. An itemized statement of 1897.

By Mr. PITNEY:

Q. You deny his statement that the Western Electric Company, which was a manufacturing company in Chicago, is owned by the American Bell Telephone Company?—A. I deny it, you say?

Q. Yes.—A. No, sir; I do not know anything about it.

Q. He also says you get your supplies from the Western Electric Company, or at least a very large portion of them. How about that?—A. That is true; because it is the biggest and best electrical manufacturing concern in the world.

Q. He says the American Bell Telephone Company owns 55 per cent of all this stock. That, I understand, he takes from your statement?—A. I do not think he does. I stated I did not know what the proportion was, but I did not think it was quite as much as that.

By Mr. DOCKERY:

Q. You made the statement in reply to a query of mine that they owned a majority of the stock?—A. Yes, sir; I did say so. Now, here is another thing. It is not important at all——

By Mr. PITNEY:

Q. He also stated—and this statement he says he made on information—that the Bell Telephone Company's capitalization was $26,000,000, and for a number of years they had been paying 12 or 15 per cent on that from a revenue derived largely from stock dividends and royalties received from companies such as this throughout the country.—A. Yes, sir; I read that in the testimony. Now, here is a thing that Mr. Hemphill must have known was an error, and I do not know why such statements are made. Every statement that I make is subject to verification from the records, and I would be glad if all other statements made here would be in like shape. Mr. Hemphill stated: "This movement started out of litigation inaugurated by the telephone company." We did not inaugurate any litigation, and Mr. Hemphill knows it well, if he followed the case at all. The case was inaugurated by the hotel bringing in a suit of injunction to prevent us removing a telephone that was being used in violation of their contract. Judge Cox decided that that violation should not continue.

Mr. HEMPHILL. He decided that you could not remove the telephone.

The WITNESS. He decided we could not remove the telephone so long as the contract was observed.

Mr. HEMPHILL You did intend to remove it?

The WITNESS. We did; but we did not intend to remove it if they observed the contract.

Mr. HEMPHILL. I think if this investigation is worth anything at all, it is perfectly immaterial whether you inaugurated it. The point is that it started by some disagreement between the citizens here and the Potomac Telephone Company.

The WITNESS. The importance of that statement simply is that it is typical of nearly every statement that is made here by the other side. I can understand here how a man may say that he heard this or that, but in a case where the facts are familiar to him, as in this case, a man has not a right to go on record and state that this company inaugurated the litigation which led to a struggle in this case.

By the CHAIRMAN:

Q. If it becomes material as to who started the action, of course we have heard you, and we shall hear the other side. We would ask you to understand that the committee does not take all that Mr. Birney and Mr. Hemphill have said as evidence in the case, necessarily. While they submit documents, we receive them as such. It is rather a statement of what they expect to show. That is the way I have understood it.

The WITNESS. Now, one word more. Mr. Hemphill states on page 33 of this typewritten document——

Mr. PITNEY. Page 59 of the printed document.

The WITNESS (continuing). "Two years ago," he said, "I endeavored to get a charter for a new company. We had between 3,000 and 4,000 subscribers on our list. My suggestion would be that they would fix a reasonable limit, and if they can not do business at that rate, then arrange that under those circumstances a new company shall be permitted by the Commissioners to enter into business in the District of Columbia. We do not have any antipathy to the Bell Company. What we are after is reasonable service at reasonable rates. That is all we ask as far as the Citizens' Association is concerned."

And then following down to the last three lines of that he states that there are now some 30 or 40 large manufacturing companies in the United States that are manufacturing telephone implements of various kinds which can be used in opposition to the Bell telephone. Mr. Pitney then asks:

"And without infringement?"

(Reading from testimony:)

Mr. HEMPHILL. Yes, sir; without infringement. The Bell telephone patents, as originally granted, have expired, as we all know, and so has the patent on the Blake transmitter. The only telephone patent that the Bell Telephone Company now owns that is of any practical value is what is known as the Berliner patent, which is only a patent upon the transmitter and receiver together, which were originally patented by Blake, and who has made some limited modifications in them.

The only difficulty about that paragraph is—I mean after Mr. Pitney's question—that it is all untrue. His records show, as I will endeavor to point out, because there seems to be so little information on this subject, that a little law is better than none——

By the CHAIRMAN:

Q. Then the Bell Company have other patents?—A. Yes; hundreds of patents. The original Bell telepone patent expired, I think, in February, 1892. The first patent of Berliner was issued in 1879 or 1880. It was hardly complete enough at that time to answer the purpose. Mr. Blake patented his transmitter, or made some improvements that led to his name being associated with the instrument; but Blake's patent was purely a structural patent, and not one embodying anything more. It was not considered fundamental. It is true that the Berliner patent was held up in interference by the action of the Patent Office in interference with the application designs for about eleven years, possibly longer—nearly twelve years. It was issued in 1891, and it was not for a receiver and transmitter combined, because the receiver is open to the world, and anybody can buy in the open market practically as good a receiver as the Bell Telephone Company can make or have made; but the transmitter is covered very broadly by the Berliner patent, and how broadly will appear from paragraph 15 on page 7 of the complaint of the United States *v.* The American Bell Telephone Company and Emile Berliner, which I have here. [Mr. Bryan read from the paper referred to.]

Mr. PITNEY. What did the court find about that?

Mr. HEMPHILL. Do I understand you to read from the declaration?

The WITNESS. There is the table [indicating].

Mr. HEMPHILL. From what did you read?

The WITNESS. The bill of the United States. This is in the circuit court of the United States.

Mr. HEMPHILL. You think that that sets forth the law in the case?

The WITNESS. No.

Mr. HEMPHILL. Simply a charge which is not in the decision of the court?

The WITNESS. The view of the Department when it instituted this suit, as explained in this paragraph; nothing further.

By Mr. PITNEY:

Q. What did the court find?—A. The case came up before Judge Carpenter in the district court. Judge Carpenter made some rather peculiar remarks from the bench and found for the Government. The case was appealed to the United States circuit court of appeals, and that court unanimously reversed his decision. The case was then taken to the Supreme Court of the United States, and the Supreme Court of the United States sustained the court of appeals.

Now, further along Mr. Hemphill says——

Q. Did the court of appeals make any finding of facts with regard to the scope of the Berliner patent?—A. Not as to the scope of the Berliner patent—if my understanding is not correct some of the legal gentlemen here will correct me—but the matter is, as I understand it, that in all contests between owners or inventors of patents the United States court of appeals is the court of last resort. They can not get to the Supreme Court with any question of that kind. Judge Cox has decided that the claims of the Department of Justice were well grounded, that this patent was issued in fraud. The circuit court could not decide what was before it, but decided the question only as it had been handed by Judge Carpenter, and the Supreme Court in its decision states that the court of appeals is sustained, and leaves the question of interference—not of interference, but of suit for infringement of its patent—to be brought by the Bell Company if it chooses to do so, in the proper United States court.

Q. The question of the scope of the Berliner patent was not properly up for adjudication?—A. No, sir. Possibly if they had it to do over again they would know better than to put this in this bill. It was, no doubt, intended to give an additional reason why the court should find that the patent had not been properly issued.

Q. The attorney for the United States based that allegation upon the broad scope of the language and the specifications under the Berliner patent?—A. Yes, sir.

Q. It was stating the case as it appeared on the face most strongly against himself?—A. There is nobody in the business but understands that the Berliner patent is sufficiently broad to control the business of telephony, if it can be gotten before the courts in this country, for the life of the patent.

Q. There are a large number of exchanges operating independently—— A. I was coming to that now. As put by Mr. Hemphill, he states:

> It is natural to suppose that there could not be as many exchanges as there are—about 2,000—in the United States in full operation without its giving satisfaction.

Also reference is made to the neglect of the Bell Telephone Company, if it has any right, in not bringing the case into court. You are familiar with that part of the testimony. I have not marked it here.

Mr. PITNEY. That is at the top of page 60.—A. Now, as a matter of fact, the Bell Telephone Company instituted three suits, just as soon as it could possibly get in the court after the decision had been reversed by the court of appeals, and it is in court to-day and there is no possible way by which it could get at the Interior Department or anybody

in the District of Columbia or in any part of the country for using these infringing telephones for the reason that the court would not take up a case that was pending before a similar court elsewhere. As the American Bell Telephone Company can do nothing in this case but await the conclusion of the suits which it has instituted, and if its rights are affirmed, it may then apply for an accounting and stop the infringing telephones being used or take such other action as it may deem best.

By Mr. ALLEN:

Q. Where are these cases pending?—A. They are pending in the district court or circuit court—I do not know now which—of Massachusetts.

Q. All in that State?—A. All in that State, because there were manufacturers and users of telephones in that State, and they brought suit where it was most convenient to do so.

Q. How long have they been pending there?—A. I do not know the date of filing them. But this case was decided in the court of appeals in its October term, 1894, and certainly in the early part of 1895 these cases must have been filed. I have been hearing about them I know for several years.

Q. That is what I have been hearing about. Do you know any reason why they have not been brought to trial?—A. The delays, I understand, have been asked for by the defendant companies—the manufacturing companies—and testimony is being taken, I understand.

By Mr. PITNEY:

Q. Do you take the position that there is no practicable mode of telephonic communication available for the use of the citizens of the District of Columbia except that which is covered by the Berliner patent? I am asking for your opinion merely, irrespective of your statements under oath.—A. That is my personal opinion. I am strongly of that opinion, because I have gone through the patents and I can not see how it can be evaded.

Q. Another point of view that renders the duty, perhaps, of this committee more clear to inquire into a reasonable rate for the American Bell Telephone Company and its licensees to charge—— A. It also imposes, perhaps, the duty of not giving to the people of Washington an infringing apparatus.

Q. We do not give them anything.—A. Well, you take such action as will lead to the giving of them.

Mr. HEMPHILL. You stated that what I said was not true. I want to say that that was made on as good information as Mr. Bryan or any body who is connected with the company——

The WITNESS. What statement?

Mr. HEMPHILL. The statement I made there is just as true as his, and, in my judgment, more true.

The WITNESS. What was the statement?

Mr. HEMPHILL. The statement you read there. He stated: This patent was run on eleven or twelve years; he knows perfectly well, or he ought to know, that the statement is made in the opinion of the Supreme Court of the United States that it was there fourteen years.

By Mr. PITNEY:

Q. You say that the Bell concern owns a large number of patents, which I dare say may be true. Does it own any other essential patent except the Berliner? Any other patent which would have the effect——

The CHAIRMAN. Used in your system here?

The WITNESS. It owns a number of things in regard to the improved transmitter, the long-distance transmitter——

The CHAIRMAN. Well, take the local telephone.

The WITNESS. We use that long-distance transmitter; a number of their patents in that, undoubtedly.

The CHAIRMAN. Will you specify what they are?

The WITNESS. I can not do that without asking my electrician to help me.

Do you mean to say, Mr. Hemphill, that the Berliner patent is on the transmitter and receiver together, and that it was originally invented by Mr. Blake?

Mr. HEMPHILL. I state from the information which I have, and which I think is as good as yours——

The WITNESS. I will furnish the patents.

Mr. HEMPHILL (continuing). That the Berliner patent practically covers the same thing that was discovered in the original transmitter and receiver.

The WITNESS. In the Blake transmitter?

Mr. HEMPHILL. And receiver; and that it has been so held by just as good authority as Mr. Bryan.

The WITNESS. I am sorry I did not bring a transmitter and receiver down here to show you the vast difference between the receiver and transmitter. As long as the receiver only was in the market or before the people there was no commercial business that could be done over the telephone, for the simple reason that all the electricity generated—all the current generated—in talking through a receiver over a line into another receiver is brought about or set up by the sound waves against the thin iron diaphragm in juxtaposition to a soft iron magnet surrounded with a coil of wire. That is all the power it has; and while, if you have a good line on a fair day, you may talk 15 miles, or you may talk as far as 25 miles if you yell loud enough, yet it required something more, something to furnish the power to transmit this message outside of that little bit of current set up by the sound waves from the human lungs, and therefore the Blake transmitter was absolutely essential to the bringing out of the telephone as an adjunct to the business of the country.

And the statement that they are alike, that one has materially to do with the other, except that they both use the undulating current of Bell, is a statement which is utterly absurd and ridiculous, and I can not understand why it is repeated to this committee; and as for the patents and instruments, I shall be glad to bring them down for the examination of the committee and have them fully explained by an expert, if that is material.

By Mr. PITNEY:

Q. Could you bring the transmitter used by the Home company?—A. I think I can get one. They use exactly the same instrument. It is a "Siamese" copy, as I understand it.

Q. What about the automatic—— A. That is a point I would like to speak about, because I know that in the chairman's mind it was not clear the other day from what I read in the record. The automatic system has not anything to do with the instruments. The instruments and lines are precisely the same with the automatic as any other system. The term automatic is applied to it because it uses or pretends to use an automatic switchboard, a switchboard which may be, it is alleged——

The CHAIRMAN. In other words, it relates to the relation of one subscriber to the other?—A. That is right, and there is no difference in the instruments. You can not get away from Bell's undulating current, in the telephone he invented first, and the induction coil of Berliner changes the battery current so that we can talk by an induced current, the only current that can be talked with, and that no direct connection without an induction coil will answer the purpose for telephony.

Q. What is the proportion of the expense of operating a local system, say, appertaining to the switchboard, giving one subscriber to another?—A. I have not the figures on that.

Q. Can you separate them?—A. We can do so.

Q. Without great labor?—A. We can separate that without any great labor.

Q. I would like to see it.—A. Of course, this thing has to be subdivided some after you get it, or you will not understand it. You will find that we have a switchboard at which the operators sit, and must have relief operators, because we do not work them more than eight hours a day at a time, and the board works twenty-four hours. Of course, there are not so many on it at night as there are in the daytime.

In relation to the switchboard operators, there must be persons to look after them, a chief operator and his assistants, and there must be one or two men constantly at work to see that the numerous connections are right and kept right and the contacts are clean, and there must be in what is called the test room or distributing room, where the underground wires come in and are connected with the wires going to the switchboard, a force on duty for fifteen or sixteen hours a day, in order to be able to test, if a trouble is reported, the wire in one direction to the switchboard and in another direction outside to see where the trouble is, and as soon as found to send a man out on it. And besides the regular operating force at the switchboard we have probably a force equal to half that number for these other duties that I have spoken of, and at a considerably higher rate of pay than the operators, because of the knowledge required.

The CHAIRMAN:

Q. It really requires a large proportion of the expense of operating a telephone system—simply operating?—A. That is what we call operating. We confine operating to the actual operating.

The CHAIRMAN. Precisely so.

A. (Continuing.) And we have the items of general office. For example, in Washington the last year, in 1897, taking the proportion of general office expenses that Washington should bear in proportion to the business it does, in comparison with the other parts of the territory, and then taking the salaries and the wages paid to those persons who are directly connected with the Washington exchange, we find it amounts to over $73,000. That is the amount of the pay roll for last year.

By Mr. PITNEY:

Q. Is your company in control of any device, or is the American Bell Telephone Company in control of any device, by which privacy can be secured in the central office between subscribers?—A. Nobody has charge of anything or owns anything of that kind except the Automatic Telephone Company—providing it will work in a room locked up.

Q. Now, can you tell me what is the number or what is the relative proportion of your metallic circuits and grounded telephones?—A. In Washington?

Q. Yes.—A. I can not tell without referring to the book. I did not know you would want that information or I would have brought it.

Mr. DOCKERY. We would like to have it.

Mr. HEMPHILL. Are you through?

Mr. PITNEY. For the moment.

Mr. HEMPHILL. How many attendants are at the switchboard during the day, and how many during the night; I would like to know?

The WITNESS. I am not sure about that. I think there are 24 during the day, and the force begins to decrease at 4 o'clock.

Mr. HEMPHILL. In the afternoon?

The WITNESS. Yes, sir; and drops off gradually until 11 o'clock at night, when there is a fixed force for all night work.

Mr. HEMPHILL. How many is that?

The WITNESS. Three, I think.

The CHAIRMAN. We will resume to-morrow morning.

The WITNESS. Would it not be possible or practicable for the committee to go up and see some of these things—the exchange—to see some of the conditions under which we work? If you will fix your own time I shall make mine to suit it, and I shall be glad to show you a good many things we have talked about here, and in a few minutes you could get a better knowledge of them than by talking here several hours.

The CHAIRMAN. We have been invited very earnestly to attend the Automatic——

The WITNESS. We will be glad to have you take that in also.

The CHAIRMAN. So I think we might go to both. How far apart are they?

The WITNESS. Two blocks. One is the corner of Twelfth and G streets and ours is Fourteenth and G streets.

Mr. WILSON. I made that suggestion to Mr. Bryan this very minute. Now I undertake to say that unless you have seen it, it is impossible for anybody to have any correct apprehension——

Mr. PITNEY. Is it on the same general plan as the central exchange in New York?

The WITNESS. It is a later type of board than the Cortlandt street board, but it is the same general plan.

The CHAIRMAN. We are willing and anxious to go. What hour shall we take?

Mr. WALBRIDGE. We will be very glad to have you at the Automatic Telephone Company's office. We will be happy to have you at any time.

Mr. HEMPHILL. We do not want to be heard any further, I think, until we hear from Mr. Bryan and hear what he has to say.

Mr. PITNEY. You do not want to be heard any further until the conclusion of his statement?

Mr. HEMPHILL. No, sir.

The CHAIRMAN. Will you be here Wednesday with your completed statement?

Mr. BRYAN. With everything that I can get together, and I expect to supply you with as many papers as you will want then.

Thereupon, at 12 o'clock, the committee adjourned until Wednesday, March 16, at 10.30 o'clock a. m.

WEDNESDAY, *March 16, 1898.*

The committee met at 10.30 o'clock a. m., pursuant to adjournment. All of the members were present.

The chairman submitted to the committee the following letter written by him to the president of the Chesapeake and Potomac Telephone Company on March 9, as follows:

MARCH 9, 1898.

MR. S. M. BRYAN,
President Chesapeake and Potomac Telephone Company, Washington, D. C.

SIR: In behalf of the select committee of the House of Representatives appointed by the Speaker on February 24 ultimo, pursuant to a resolution adopted by the House on February 14 ultimo, I have the honor to hand you herewith a copy of that resolution for your information.

Recalling to your attention my letter addressed to you on February 26 ultimo, I beg to repeat my verbal request of this date, that you will furnish our committee with specific replies to the inquiries contained therein at the earliest practicable date, giving partial replies at once so far as you may be able.

I have also the honor to submit the following additional inquiries, to which I request a response at the earliest practicable date, namely:

(1) Please furnish us with a copy of the contract between the National Bell Telephone Company and the Western Union Telegraph Company, bearing date November 10, 1879, and of any and all other contracts subsequently made either by the National Bell Telephone Company or by the American Bell Telephone Company, by way of supplement to or modification of the contract of November 10, 1879, or relating in any way to the subject-matter of that contract.

(2) Please furnish us with a copy of any and all contracts and licenses now in force, or at any time heretofore in force, made by the American Bell Telephone Company or by any other company with the Chesapeake and Potomac Telephone Company, or with any other company whose rights have been acquired by the Chesapeake and Potomac Telephone Company, whereby the latter company have used, or do now use, telephones and patented devices pertaining to telephones, or whereby that company has let, or does now let, to others the right to use such telephones and patented devices.

(3) Please furnish us with a copy of any and all forms of contract now in use between the Chesapeake and Potomac Telephone Company and the subscribers of that company in the District of Columbia, and a copy of any and all forms of contract heretofore in use for the same purposes.

(4) Kindly inform us when the National Telephone Exchange was reorganized or merged into the Chesapeake and Potomac Telephone Company, and the terms of such reorganization or merger; and furnish us with a copy of any and all contracts, assignments, and conveyances incident to said reorganization or merger.

(5) What was the actual value of the plant and other physical property, real and personal, which was taken over by the Chesapeake and Potomac Telephone Company at the time of said reorganization or merger, and of what did it consist?

(6) Please furnish us with a statement of the amount of the capital stock of the Chesapeake and Potomac Telephone Company which has been held by the American Bell Telephone Company in each year (severally) from the organization of the Chesapeake and Potomac Telephone Company until the present time, and the amount of dividends paid to said American Bell Telephone Company on said stock in each year during said period.

(7) Please furnish us with a statement of the amount of royalties paid to the American Bell Telephone Company by the Chesapeake and Potomac Telephone Company each year since the organization of the latter company, and for what such royalties were paid.

(8) Please state the amount of the salaries paid to each of the principal officers of the Chesapeake and Potomac Telephone Company each year since the organization of said company.

(9) Please furnish us with a list of the names and residences of the officers and directors of your company.

(10) Please state, in detail, the capacity and extent of the underground conduits owned or used by your company in the District of Columbia, and the number of miles of wire therein contained.

(11) From what person or persons, corporation or corporations, has the Chesapeake and Potomac Telephone Company purchased its principal electrical supplies each year during the past five years, and what was the total amount paid in each year for the same? And state, generally, of what the electrical supplies so purchased have consisted.

(12) Please state, in detail, for each of the years from 1891 to 1897, inclusive, the

receipts of the Chesapeake and Potomac Telephone Company from revenues—tolls, private lines, messenger service, and other sources—and also for each of said years the amount of the general expenses—operating expenses, maintenance, telephone rental, royalties, and other expenses—giving the details of each class of expenses.

Very respectfully,

WILLIAM W. GROUT,
Chairman, etc.

The CHAIRMAN. Mr. Bryan has the floor.

MR. S. M. BRYAN RESUMED THE STAND AS A WITNESS.

The WITNESS. In the hearing of Saturday the figures are very considerably mixed up in questions and answers. In the colloquy that took place between Mr. Pitney and Mr. Hemphill I find the following:

Mr. PITNEY. Very well, now; and I understand you to say that this is made up principally of two items—$100,000 which you, for the lack of better information, allow for the original value——

Mr. HEMPHILL. Yes, sir.

Mr. PITNEY. And $378,000 since raised, for which bonds were issued?

Mr. HEMPHILL. Yes, sir.

Mr. PITNEY. Four hundred and seventy-eight thousand dollars that makes, and yet there have been large additions from year to year to the construction account, taken from current earnings.

Now, the $100,000 to which Mr. Hemphill refers—I do not know where he got it—is intended to relate solely to the District of Columbia, while the issue of bonds relates to the whole company. So, manifestly, if you take the $100,000 you must add the Baltimore expenditure to it, if you are going to add the whole of the bonds to it. Otherwise the figures are so badly mixed that no one could tell anything about what was intended. I merely mention this because if this is going to be a public record it should be such that when one goes over it he will be able to make something out of it.

Mr. HEMPHILL. If you will permit me there, I looked over that statement and I think it is not fair to the company to charge the whole of those bonds here to the District of Columbia. As I understand, these bonds were sold and the proceeds used in underground construction in the city of Baltimore. That is what I gather from the report to the legislature of Maryland.

The WITNESS. They were partially used for that purpose, but there are so many figures dealt with in the opening of Mr. Hemphill and Mr. Birney that one gets befogged in spite of himself in endeavoring to find a straight path through them, and therefore it occurs to me that it might be just as well to embody an authoritative statement from an entirely independent source as to the amount of money actually invested.

Following that matter, comes a question as to the propriety of charging to the construction account the Baltimore building. While that is a Baltimore affair and not a District of Columbia matter, except as it may incidentally cut weight, I have only this to say in reply to Mr. Hemphill: That building is absolutely necessary for our purposes. If we did not own the building we would have to rent one, and it is as much a part of our plant as a switch board or a line of poles.

Later on reference is made to the report of the Ainsworth committee in the city of New York and to a speech of Mr. Simon Stearn that 91.05 per cent profit was made in one year and 72.08 per cent another year, and so on, in New York; and that is compared to the 16 or 18 per cent which we say we are able to say is a profit upon an instrument. And in that statement Mr. Hemphill goes on to say that this is where the rates are

from $60 to $150 per annum (meaning New York), and in another place he speaks of rates being from $125 to $150 per annum. A little later on he speaks of a profit on $600,000 of invested capital of 100 per cent and 145 and 147 per cent.

Now let us see. Allowing an average of $125—and I do not suppose I would be asked to give above that figure, because the rates are given all the way from $60 to $150—but I will allow $125 as an average per station, and the total number of stations which Mr. Hemphill states were then in operation (5,000) would only yield a revenue of $675,000. So that to get 100 per cent it would leave only $33,000 a year to maintain all those 5,000 telephones, and to get 147 per cent it would require $882,000 of revenue, and no expenses, while the 5,000 telephones at the maximum price named by Mr. Hemphill would only amount to $750,000.

In that statement I am making there, there is not one single cent allowed for expense, and yet the amount necessary to make that earning capacity of 147 per cent on the capital would require more than $100,000 in excess of what 5,000 telephones would amount to at the maximum price.

I merely bring this up to show the manifest unfairness of a statement of that kind. Mr. Hemphill then takes us over to London and asks us to believe that 8,000 telephones at an average of $92 would yield a profit sufficient to pay $2,200,000 to the stockholders and $2,200,000 to the post-office as a Government royalty.

I have only this to say about that; that if Mr. Hemphill got that from Mr. Stearn's speech, Mr. Stearn must have been very much off in his reckoning at that time, and if he got the information from his brother or his relative in London, as Mr. Hemphill stated, then that brother could not have given him correct information, and for a few very good reasons, which I will state as soon as I have gone a little further in this and called the attention of the committee to the fact that Mr. Hemphill states that the London company is able to make a net profit of 55 per cent on its investment.

I have here the statement of the telephone company, not doing business in London alone, but in all Great Britain—with the exception of two or three towns in Wales—and the total capital that Mr. Hemphill gives for the London capital is what is applied to the whole of Great Britain; and instead of doing business on 45 per cent, so as to earn a net profit of 55 per cent, it is stated in this report that the expenses are 59.37 per cent before taking out the interest charge of £71,000 in that year, which brings the operating expenses of the company, that is, the total expenses of the company, up to nearly 70 per cent of their receipts, and if to that 70 per cent we add, as we do here, the expense of reconstructing lines, we will find that there is not a great deal of money earned; but they have a system over there of bookkeeping which we would not tolerate here for a day. The English company states that it has expended in the year of which this report treats——

Mr. HEMPHILL. What year is that, if you please?

The WITNESS. 1896. It has expended £233,112 for replacing overhead lines with underground and for other construction, a large amount of which it is stated was for the first purpose, namely, changing from one kind of plant to another, and for this an addition was made to the capital account of £233,000. They have a great deal to draw from. They have three kinds of preferential shares and one issue of ordinary shares. They do not pay 10 per cent, but they pay 6 per cent on some and 5 per cent on others. They have a very flexible system. They have an authorized issue of debenture bonds, which latter are issued, as appears

from this, whenever the net profits promise to show less than what will afford a fair dividend to the stockholders.

It is needless for me, I think, to point out to the committee that by such a system of bookkeeping it is only necessary to run on long enough for them to get a capital stock upon which nobody could pay dividends, and that could not possibly be handled. If we should charge all our reconstruction, or changing one kind of plant not paid for to capital account, and issue debentures for it, we probably would be able to come before you showing a very much larger net revenue than we are under the present system able to do.

Again, the people's counsel state to you here that inasmuch as we have doubled the amount of wire underground that we have overhead, it is only necessary to add 50 per cent more to the expense to put it all underground.

In other words, if it costs a certain sum to put 600 miles of wire underground in a mile of conduit, the same 600 miles could be put in at the same price if it extended over 600 miles, having only one wire in it. That can not possibly be true, and anybody who has ever gone into construction knows it can not be true. We will have to run probably 30 miles of underground trench in this town if we ever expect to put it underground in good shape, and that 30 miles of conduit will cost a great deal more, certainly, than half of what we have already expended for 15 miles. There is no difference made, in the statement made before the committee, between electric light and telephone underground construction, while there is a vast difference in the two statements.

The electric-light wires are placed only a few inches below the surface, while we have to go 17 feet deep, sometimes, in order to avoid obstructions, and the top pipe in any conduit that we have in Washington is never allowed to come—that is, the top of the top pipe—is not allowed to come nearer the surface than 18 inches, and our manholes, instead of being the little pockets in the ground that are made by the electric light company, are subterranean chambers in which men can work, as they have to work in dealing with the myriads of wires that are run through there in the cables. The electric-light company can carry fifty or sixty arc lights on one wire, and probably four or five thousand incandescents, if they choose to, and we have to have two wires for each subscriber. That makes a great deal of difference in dealing with construction.

The CHAIRMAN. Two wires for each subscriber?

A. Yes, sir; two wires for each subscriber, if it is a metallic circuit. Mr. Hill's opinion was brought in here, and I want to mention it because it is on the record, and needs a word possibly at my hands.

He states a certain fixed sum will provide for 2,800 telephones. If 2,800 telephones were in the Capitol, the insulation would not cost anything like $433,000—or whatever the figure he gave was—but if they were scattered from one end of the District to the other, he has got another problem, and neither Mr. Hill—unless he is a most remarkable personality—nor any other person whom I have ever heard of in the line of engineering, has ever been able to tell what it would cost to install a plant for 1,000 or 3,000 telephones unless he knows the location of the stations or the general trend of the business throughout the city. Mr. Hill has not been in a position to know that, and can not possibly know it.

The operations of the competing company in Detroit have been brought before the committee on several occasions, and that has been held up before us as a model of what can be done and should be done.

Now, I find in Electrical Engineering something that shows a few facts in relation to their methods of doing business. When the same company that is operating in Detroit, or the same men that are operating there, desired to get funds to establish, I think, the State Telephone Company—it is the company referred to by Governor Pingree in his letter to the gentleman in this committee, in which letter he states that the same man is president of both companies—when it was found necessary to ask for capital for the State company a statement was made bearing date on September 30, 1897, in which the value of the Detroit Telephone Company's plant is given.

I will simply premise by saying that the competing company in Detroit, as it is alleged, and I have not heard it contradicted, is organized under the general incorporation act of the State, and claims under that act the right to use the streets of Detroit for its purposes. Therefore it would not have a great deal more franchise than it is claimed we have here. Yet that company states the value of franchise, drawings, plans, maps, estimates and specifications, and telephone contracts is $200,000. The right to build a switch board for the city of Detroit—simply the right to build it—$100,000. That is in their assets; that is an asset of $100,000. After the $100,000 has paid for the right to build it 90 per cent is put down as the cost of the switch board for Detroit. The instruments are put down at $125,000. The construction items are put down at $135,650, and $175,000, and $153,000, and so on, making a total of $1,052,415.

But by the sworn statement of that company furnished the auditor-general of the State of Michigan they enumerate everything they have and put the value down as $93,008. That is called the Detroit Telephone Company, the competing telephone company.

Mr. HEMPHILL. Will you state the date of the paper to which you are referring from which you read those figures?

The WITNESS. I will. The Electrical Engineer of March 15, 1898. If this is a true statement, and I have no personal knowledge of it, but if these statements are true even the Chesapeake and Potomac Telephone Company can not suffer by comparison of its methods with such a concern.

By Mr. PITNEY:

Q. I would like to have that statement repeated, and see what inference you deduce from it. I do not know that I catch your point.—A. It is this: We are told that the Detroit company is a solid concern; that it is furnishing telephones and making money, and the letter of Governor Pingree, supplemented by the letter from the president of the company to Governor Pingree, were submitted here before you to show that they were doing business and that the business could be done and made to pay at the figures given. And I simply bring this in to give you some idea of their methods of doing it. If the entire business is to be run on the line of their statement it can not be permanent; and in the absence of any knowledge of the details of what they are doing we may fairly infer, I think, that it is more or less of a kite-flying scheme.

Q. Your insistence is that this statement shows that that competing company there is not making money? Is that the idea?—A. I do not mean to say it is not making money, because I do not know, except in so far as I am able to see that with such rates they can not make money, and I am prepared to insist that if their statement is true—the statement bearing date September 30, 1897—they can not make money.

They can not pay a dividend on such items as a franchise and some drawings and maps that they put in their capital account at $200,000, and the simple privilege of constructing a switch board, $100,000, which it has cost $90,000 to construct; and either this statement is unreliable or else the sworn statement to the auditor-general of the State is unreliable.

Q. You take it, then, from the statement of September 30, 1897, that that company has watered its stock, or is watering its stock?—A. From this it would seem that it was nearly all water.

Q. Then if it is able to pay dividends on the watered stock, that does not show the unprofitableness of the venture, but quite the contrary, does it not?—A. Let us see.

Q. Let me see that statement, if you please.

Mr. WILSON. It shows you can not rely on the statements you get here as a guide for the purpose of fixing the rates of the Chesapeake and Potomac Telephone Company.

Q. The trouble is this: We have two contradictory statements in regard to this company, but we have the salient fact, which does not seem to be contradicted, that the people there are getting rates much less than are charged here. And so far as the element of competition is concerned, we are all met in any line of enterprise with the situation that the commencement of competition results in a conflict between the competing concerns, and that possibly one or both may for a time do business at less than a profit. But eventually they will adjust their expenditures and that sort of thing to the new basis, and will manage to get along ordinarily at a reasonable profit. I would like to see that statement to which you refer.—A. I will be glad to let you see it if you will wait one moment, as I want to refer to it again. They lay claim to 5,000 telephones, and they claim to average for each instrument $34, which makes $170,000. In another place they claim $18 as a profit. That would be $90,000 profit, which would be a pretty fair showing on $1,000,000 investment, I grant you. But the fact remains that to carry on business with 5,000 telephones in any city requires a sum vastly in excess of $16 for each telephone. That sum of $16 would simply pay wages and nothing else. I know that is the case, because I have compared expenditures here with the expenditures in other localities. It is a matter of frequent conference between telephone managers, as you know, as to how things are running, and it is simply an impossibility to run city telephones in a large system with anything like the amount named.

Q. The wages will go to a higher point than $16 for each telephone, with 5,000 telephones, will it?—A. It certainly will.

Q. I would like to see the account. Five thousand times sixteen is what?—A. Eighty thousand dollars.

By the CHAIRMAN:

Q. There is not any proposition here, is there, to fix the rates of telephones at $16?—A. No.

Mr. PITNEY. No; but I am trying to analyze that one item of cost.

The WITNESS. I suggest that the statement of 1891 of this company showed only $40,000 operation expenses for both directions, and as far as we can judge, between two and three thousand telephones.

By Mr. PITNEY:

Q. Those do not cover the labor accounts, as I take it?—A. I will take pains to point out a little later that it is a very small item. I am not able to put my hand on it now.

I find in the record of Saturday that I am made to say, or to assume in the cross-fire of questions that were put to me, that the Chesapeake and Potomac Company's capital stock had some water in it. It was certainly not my purpose to say so, and it has never been my belief that it had any water in it, and I would like the permission of the committee to correct that by stating exactly what I did intend to say, which was that the capital stock was in excess, unduly in excess, of the actual cash expenditure for plant and property, but that there were other elements which went to make up that, such as franchise, good will, right of way, etc.

While that question of good will is brought to my mind, while that question is up, we might draw a little information from the British statement. It says that the capital is made up, not for what has actually been expended for plant, but may include what is expended in the direction of exchange and private lines and purchase of various undertakings as per last account. The purchase of these various undertakings was the purchase of small plants and exchanges which had been established and that were not being run in the public interest, that could be much better managed by bringing them into a general system; and the purchase price for them was ultimately agreed upon between the parties in the same way as the purchase price was agreed upon between the vendor and the purchaser when the National Capital Company and the Maryland Exchange Company were purchased to form the Chesapeake and Potomac Telephone Company.

It is usual in railroads and telegraph companies and everything of that kind to purchase what the British call here "undertakings"—something undertaken by some one else and taken over at a figure agreed upon, and it is invariable to put in the capital stock at or above the figure at which it is purchased—never left out of the capital stock.

Unless there are some questions the committee desire to ask me that is all I have to say this morning.

Q. This publication, the Electrical Engineer, if I can judge from this number of it, is published manifestly in the interests of the Bell Telephone Company?—A. You will find it has hit the Bell Telephone Company some pretty hard blows, if you have followed it two or three years. It is an independent paper, so far as I know.

Q. I want to call your attention to the fact that every article in this number that bears on the telephone question at all seems to be in the interests of the Bell Telephone Company and published because it is in the interests of the Bell Telephone Company.—A. I do not know whether there is any leaning of that kind in the paper or not. I have not any knowledge of it, but so far as the statements that are published there are concerned, it is not material whether those articles are in the interests of the Bell Telephone Company or not, as I take it. Of course it would need verification if such is the case.

Q. As I understand it, this closes your statement.—A. Yes; unless there are some questions the committee desires to ask me.

Q. I understand you to say that you will be ready at a future time to submit the fundamental data concerning your company which the committee desires?—A. I have experts, the best that I can get, at work, and I am endeavoring to keep them busy enough to earn their money; but they are not ready this morning.

Mr. WILSON. And he has his own clerical force, as far as can be spared, working on this data.

The WITNESS. I will have my part ready as soon as the accountants are ready with theirs, or before that. I should be very glad if the com-

mittee were inclined to fix a time when they can give some personal examination to our plant, as was talked about the other day.

By Mr. PITNEY:

Q. In his letter to you of March 9 the chairman of this committee requested you, among other things, to furnish this committee with a copy of any and all contracts and licenses now in force, or at any time heretofore in force, made by the American Bell Telephone Company, or by any other company with the Chesapeake and Potomac Telephone Company, or with any other company whose rights have been acquired by the Chesapeake and Potomac Telephone Company, whereby the latter company have used or do now use telephones and patented devices pertaining to telephones, or whereby that company has let or does now let to others the right to use such telephones and patented devices. You have not furnished us with those contracts?—A. No; I have not, and there is a good reason for not having done so up to this time. It would be manifestly improper for the Chesapeake and Potomac Telephone Company to furnish a copy of that contract until it has secured the consent of the other party to it, it seems to me; but I have no doubt that that consent can be gotten.

The CHAIRMAN. Do you think so; do you think it would be improper for you to furnish that to an investigating committee without getting that consent? This committee is inquiring into the telephone company and have not they a right to know whether—— A. Yes; the committee has a right to know all the facts, but there comes up there a question I am not so clear about, and that is as to whether it is absolutely necessary in getting at the facts that not only the committee, but the entire community, the world, may know about all these things, by publication in the newspapers for the edification of the general public and our present and future competitors in business.

By Mr. PITNEY:

Q. You understand the position is this: you are here enjoying a public franchise.—A. That is true.

Q. And you are here insisting that you are reasonably performing your duty so far as rates and this service are concerned?—A. That is true.

Q. And you are resting this partly upon the ground that you are obliged to conduct your company thus and so by reason of contract relations with other companies?—A. Yes, sir.

Q. The whole matter in this is in the consideration of the public franchise and the performance of the public duty in connection with it, and while I for one would be willing to consider a suggestion that any part of the document should be kept confidential, yet I must say that does not strike me with any force whatever. You are here depending upon the public good will?—A. Yes, sir.

Q. And it is a part of your duty to see that the interests of the public are observed as well as the interests of your company?—A. Yes, sir.

Q. And it seems to me a material part of the inquiry as to what you pay and what you are required to pay, and whether you are lawfully required to pay it to any other concern for that which enters into your good will and franchise, or whatever you please to call them.—A. I have no doubt—I stated at the outset, and I have no reason to retract that statement now—that all the facts required by the investigation will be given.

Q. This is one of the facts required by the committee and it does

not seem to me that any delay should intervene in furnishing it. You have on your files, I suppose, the contracts relating to it, and it does not require an expert examination at all to find those contracts. An expert might be employed to figure up what the cost is, but as to whether the cost is a cost lawfully to be charged against the people is a matter for the committee to determine.—A. I should think that was so, but the question I wanted to lay some stress upon was whether it was necessary to lay bare—not so far as the committee is concerned, because the committee has a right to use it—but whether it was absolutely necessary, when it would work such a hardship to us, to open our business to everyone, in the District or elsewhere.

Q. First, as to the consent of the other contracting party. I do not see how that is necessary; but have you taken any steps in that direction?—A. Yes, sir; I have.

Q. With what result?—A. I expect an answer to-day.

Q. I beg to request you to furnish that information as early as possible; and if you wish to submit a request that the matter be considered confidential, then we will consider that request.

Mr. DOCKERY. What is that?

Mr. PITNEY. I am speaking of the request in the chairman's letter of March 9, asking Mr. Bryan to furnish us a copy of any and all contracts and licenses now in force, etc., made by the American Bell Telephone Company, or by any other company, with the Chesapeake and Potomac Telephone Company, or with any other company whose rights have been acquired by the Chesapeake and Potomac Telephone Company, whereby the latter company have used telephones or whereby that company has let or does now let to others the right to use telephones. He has not furnished that and he thinks it necessary to ask the consent of the the other contracting parties, and also thinks that they ought to be kept from publication. Now, what about the third request—— A. What is that?

Q. Please furnish us with a copy of all forms and contracts now in use between the Chesapeake and Potomac Telephone Company and the subscribers of that company in the District of Columbia, and a copy of all forms and contracts heretofore in use for such purposes.—A. Those will be before you to-morrow morning, or they will be down here whether you have a meeting or not; they will be in the committee room here. Mr. Dockery asked the question the other day and I promised to furnish it, and I have the information now——

Mr. DOCKERY. What is that?

A. About the grounded circuits and the metallic circuits. We have, all told—this takes in the employees' telephones and others—935 metallic circuits and 1,267 grounded circuits.

By Mr. PITNEY:

Q. Please give that again.—A. Nine hundred and thirty-five metallic circuits and 1,267 grounded circuits.

Q. In the District of Columbia?—A. Yes.

By Mr. DOCKERY:

Q. In regard to a query a few days since, you stated that you were not prepared to say whether the amendment as agreed upon by the Senate and the House would authorize you to use a grounded-wire circuit?—A. I can not make any further reply to that than I did the other day. I have not really looked into the question at all. I have not had time to do it.

Q. You have been so busy with other matters?—A. There is a little

current business incidental to the management of the telephone company of which I am president, and I have to make a trip to New York occasionally.

By Mr. PITNEY:

Q. Does your company uniformly make a difference in the rates to the subscribers as between metallic circuits and grounded circuits?—A. Surely.

Q. And what is it, please?—A. That is given by the contracts which you will have to-morrow, but I will give you that rate. And there is being prepared to accompany those forms of contract these different rates for every kind of service we furnish in the District. A special grounded wire is $100 for business purposes.

Q. Does that mean with no other subscriber on it?—A. Yes, sir; a special grounded wire with nobody else on it, $100 for business purposes, and for residences it is $72; and the metallic circuit is $125 for a business house and $100 for residences. That is for the single wire.

Q. Do you not charge more than $125 in some cases?—A. We do where the distance is very great from the exchange. Every exchange organized in the country has a radius within which the standard rates apply. Some have half a mile and some have a mile limit. We have a mile. Anywhere within the mile limit the rates are standard, and beyond that radius a charge is made for the extra mileage of wire. That is what it is called, but there is really another element entering into it, because in the sparsely settled portions of the city lying a mile and a half from the exchange, where there is only one telephone for every fifty or sixty blocks, or something of that kind, it costs more for maintenance and inspection. To send a man to the upper end of Georgetown to look after one telephone he is gone long enough to look after six or eight in the thickly settled portion of town.

Q. Do you use the same instruments, the same transmitter and receiver, on the grounded as on the metallic circuits?—A. The same receiver, but not the same transmitter. The transmitter used on the grounded circuits has not the same power. It is not made in the same way and is much more liable to get out of order.

Q. What do you call it?—A. We call it the old Blake transmitter. It has the names on it of Blake, Bell, Edison, and Berliner. They all had something to do with the invention of the different parts.

Q. But the common term employed in the trade in regard to the transmitter commonly used on the grounded circuit is the Blake transmitter?—A. Yes, sir.

Q. And what is the receiver called?—A. An ordinary Bell receiver.

Q. And the transmitter on your metallic circuit is called what?—A. The solid-back or long-distance transmitter.

Q. Solid back?—A. Yes, sir. For this reason: That there is nothing to shake out of order. It is made rigid except as to the powdered carbon deposited inside of it, through which a little plunger works by the movement of the diaphragm when you are talking, which does not get out of order and does not need the adjustment the other does, but requires more power to work it.

Q. You say that carbon—— A. It is only by being loose and remaining that way that it will work. The moment that it becomes packed it won't work. It has to be shaken up.

Q. The vibration of the diaphragm caused by wave sounds of the voice is communicated to the mass of powdered carbon?—A. Yes, sir.

Q. And then from the mass of carbon is communicated to the wire?—A. Yes, sir.

Q. And by what means, please?—A. By means of a magnet; in some respects similar to that. There is a magnet used. I have not opened one of those things for so long that the detail is out of my mind. They are screwed up fast, and I do not have anything to do with them now, but the exact means of communication I can have my electrician explain to you when you come up to see it.

Q. But we would like to have it in the printed hearings if we can.—A. I will have my electrician come down and open the transmitter so you can see its shape exactly, or I will fit myself to give you that information. With brushing up on it for five minutes I can explain it to you.

Q. I wish you would. Please explain also the mechanism of the Blake transmitter.—A. Well, the Blake transmitter uses practically the same elements as the solid back, but in different form. In place of using the powdered carbon we use a carbon button, attached to a spring, and there is also connected to the carbon button or near it a platinum point, and when the diaphragm is worked by the sound waves it causes that platinum point to communicate with the carbon, and through that——

Q. By contact or mere proximation?—A. By contact. The contact is made every time the diaphragm is sufficiently moved to move the platinum point against the carbon.

Q. Can you use the Blake transmitter for long-distance service? Can a person have a grounded wire with the Blake transmitter and call up New York City, for instance?—A. It is possible to talk over a grounded wire to New York, or it was possible before the electric lights and trolley companies got to depositing so much current in the earth. But now the grounded wire becomes very noisy by reason of the induction it picks up—the disturbances it picks up from these stronger currents.

Q. So it does not work satisfactorily?—A. No; it does not work satisfactorily, and never has.

Q. Can you tell me what transmitter is used by the Automatic Telephone Company?—A. They must use a copy of one of our transmitters, and, while they have not shown me their instruments, I take it to be a copy of the solid-back or long-distance transmitter.

Q. You have not investigated that yourself?—A. No, sir.

Q. Has your electrician investigated it?—A. He has.

Q. Do you know whether there has ever been any suit brought by the Bell Telephone Company or any of its licensees against the Automatic Telephone Company for infringement?—A. I do not know whether there has or not. It is my impression that the Bell Telephone Company, after instituting suit involving everything in question in the way of infringement, does not take the pains to go around to institute more suits to accomplish the same result, but awaits the decision in regard to the case that is already filed.

Q. Is there any suit now pending in which the American Bell Telephone Company is a party, or in which any of its licensees is a party, which involves the question of the transmitter used by the Automatic Company; and if so, what suits?—A. I do not know anything about the Automatic. I have just said that I have not seen that.

Mr. WILSON. He wants to know whether there is any suit——

The WITNESS. The Automatic is the defendant in any suit?

Mr. WILSON. Yes.

The WITNESS. Not that I know of.

Mr. PITNEY. The question is whether there is any suit pending in which the question of the infringement by the transmitter used by the Automatic Telephone Company is in question.

A. I would have to see what transmitter the Automatic Telephone Company is using.

Q. And what suits are pending.—A. I know there are three suits pending in Boston.

Q. Have you a printed copy of the proceedings in those suits as far as they have gone?—A. I have not.

Q. Can you get them for us?—A. I think possibly so. I do not know.

Q. Of course they are matters of public record, and there must be abundance of copies of them.—A. I will be glad to telephone to Boston this afternoon in regard to it.

Q. I wish you would, and get them here as soon as you can.—A. I should not think they would have any objection to sending them, because of course if the suits are filed the papers are public property.

Q. Tell us, if you please, if you know, what transmitter is used by the concern known as the Home Telephone Company.—A. Yes, sir; I know that. They use a copy of the solid back of the Bell Telephone Company.

Q. They have made it precisely the same?—A. They have made small changes in it—small differences—but the principle is exactly the same. The transmitter is the same shape, the diaphragm is put in in the same way, the carbon is used, and the principle is precisely the same.

Q. Is the use of that carbon covered by the Berliner patent?—A. I think it is.

Q. Have you a copy of the Berliner patent?—A. I have, in the office.

Q. I wish you would give us that.—A. I will be very glad to do so.

Q. As to the receiving instrument, you use commonly what is known as the Bell receiver?—A. Yes, sir.

Q. There is no patent on that?—A. No; the patent on that expired with the original Bell patent.

Q. And all telephone companies use it as they wish, do they not?—A. Yes, sir.

Q. Can that not be used as a transmitter?—A. It can, and it was used up to 1879, I think it was It was used as a transmitter, but that was before the telephone came into commercial use.

Q. That was where you had to apply the receiver to your ear and then apply it to your mouth to talk?—A. No; they took the receiver and put it in a little box with felt or canton flannel, so that you could wedge your face in there so as to keep the sound from escaping. That was the magneto-transmitter, and since then several improvements have been made. We have magneto-transmitters up there which we can sell, and do sell. If a farmer wants to talk between his barn and his house he can do it over a short line in the country where he will not be arrested for loud talking.

Q. You can not tell us, from your recollection, what part of the Berliner specification it is that makes you impregnable on the transmitter?—A. No; but I will be very glad to bring the patent down to you and have those parts of it marked.

Q. Have you taken any steps to procure for us a copy of the contract of November 10, 1879, between the Western Union Telegraph Company and the National Bell Telephone Company?—A. I have not. I told you that I knew nothing about it, and I should think if the committee desire a copy of that contract they would ask the Western Union Telegraph Company or the American Bell Telephone Company for it. I haven't it. If the committee commands me to do so, I will

endeavor to make some inquiry about it; but in the absence of any command of that kind, I am satisfied that either of those companies—the American Bell Telephone Company or the Western Union Telegraph Company—would regard any request from me on that subject as an impertinence.

Q. How do you regard the request of the chairman of this committee to you, dated March 9?—A. It is addressed to me, I suppose, on the assumption that I had it or knew about it, and I have said under oath that I knew nothing about it.

Q. You come here as the representative of the Chesapeake and Potomac Telephone Company?—A. Yes, sir.

Q. And when we see publicly, in reports of the decisions of the State of Maryland, in which State your company has operated, a decision in a case in which your company was a party—in which your company set up in its answer as a part of its defense some of the provisions of that very contract—we take it that your company has knowledge of the contract.—A. I have not; and what knowledge Mr. Gwynn has, who conducted that case for the company, I do not know.

Q. You swore to the answer in that case?—A. I have no recollection. If my attorney brought an answer in the case to me I probably would swear to it.

Q. It may or may not be important, and I do not want to spend time on anything that is not important, but I want you to understand that if we do not get any information from you to the contrary, that that information, as set forth in the electrical journal to which I referred, will be taken as true.—A. I do not know anything about that contract; but in thinking about that yesterday and this morning again, and in going over this testimony where I saw it mentioned, it occurred to me that while it might be important to the committee to have that contract, I did not see where it concerned the Chesapeake and Potomac Telephone Company, because it is under contract with the American Bell Telephone Company to pay it so much money as royalty, and if the American Bell Telephone Company chooses to give 90 per cent of that to somebody else, it does not invalidate our contract with that company.

Q. But there are a hundred things in that contract besides the question of contribution to the Western Union Telegraph Company.—A. I do not know that.

Q. Some of them affect your contract relations with your subscribers, or they did while that contract of 1879 was standing, which now by its own terms has expired; and we have asked you whether there has been any supplemental contract or whether the provisions of that contract have been extended.—A. I know what you refer to. You refer to the fine print that was put in. That was before I came into the company. That has simply been repeated, as a provision. That was possibly furnished by the American Bell Telephone Company in the first instance. But I know nothing of how they came to be there except they are in all the standard contracts. I am perfectly willing that you should assume, Mr. Pitney, that that publication in the electrical paper is a correct copy of the contract, so far as I am concerned, and I think I am safe in saying that I speak for the company.

Mr. HEMPHILL. Mr. Bryan, if a telephone is located in an office and connected by a wire with a desk, what is the charge for that per annum?

A. The charge for the renting of the wire, furnishing of the instrument, the desk stand, and all the auxiliary apparatus necessary is $36 a year.

By Mr. PITNEY:

Q. In addition to the $125?—A. Yes; because it is another station. It has another outfit, quite as complete and more expensive than the original installation, so far as the instruments are concerned.

Mr. HEMPHILL. Does that count as an additional subscriber?

A. It does not count as an additional subscriber. Hold on, now; I think it does. I will have to get information on that, but I can not quite speak about those things offhand, but my impression is that it is counted as an additional subscriber. It is counted as an additional station.

Mr. HEMPHILL. In addition to the telephone that is in the same room?

A. Yes, sir.

Mr. HEMPHILL. I would like Mr. Bryan to state how many of those desk attachments there are in the District used by his company.

The WITNESS. I can not carry those figures in my head.

Mr. HEMPHILL. I mean when you return next time.

The WITNESS. If the committee desire it I will give that information.

By Mr. PITNEY:

Q. If we have time, I suppose the committee would be willing for either side to propound questions to the other side, or suggest a line of inquiry that it would like to have followed.

Mr. HEMPHILL. I would like to have him produce that statement as to how many desk attachments there are in the District, and as to whether or not they are counted as separate telephone stations.

The CHAIRMAN. The committee would like that information, Mr. Bryan. I understand you are willing to furnish it?

The WITNESS. Perfectly.

By Mr. PITNEY:

Q. I would like to ask what limitation is placed, or what construction is placed, on that part of the contract with your subscribers which provides that the telephone is to be for the personal use of the subscriber only?—A. Will you repeat the first part of that question?

Q. I understand that your regular form of subscriber's contract provides that the telephone shall be for the personal use of the subscriber only, upon his business?—A. Yes, sir.

Q. How does your company construe that; what limitations does that practically impose upon your telephone subscriber?—A. The contract itself imposes an obligation on the part of the subscriber to observe, to interpret its language and to observe the contract, and we construe it to mean just what it says, that when a man subscribes for his telephone it shall be for the sole use of the subscriber, and on his business.

Q. What measures do you take to enforce that provision? You have some system about it, I suppose; how do you do it?—A. Every force of operators has to be monitored. We have a monitor for every eight or ten operators, in order to see that they do not indulge in talking with the grocery clerks—that they attend to their business in other words; and if, in the process of this monitoring, it is found that it is the habit of a man having a telephone to bring in a great many persons to use it, it is very easily picked up in that way. The information is easily obtained in that way.

Q. Then what do you do?—A. We notify the party that his contract stipulations are being disregarded.

By the CHAIRMAN:

Q. You mean that someone in the office has—— A. Not the operator, but one of the monitors is left in an entire section to govern the

operators, and when we find that the service is being abused, we call attention to it.

By Mr. PITNEY:

Q. You have one monitor for every ten?—A. I do not know whether it is for every ten or every eight.

Q. About that?—A. Yes, sir.

Q. That monitor has a keyboard which enables him to put himself in communication with any conversation that is within the control of any one of these eight or ten operators?—A. Yes, sir.

Q. Does that enable the monitor to keep in communication with the subscribers after they are joined up, one with the other, when the central operator has withdrawn her communication from the circuit?—A. I do not know to what extent that would be possible. I shall be very glad to go into that. There will be competent witnesses, experts, up there as to that.

Mr. DOCKERY. That is an important question.

The WITNESS. The apparatus of the monitor is purposely arranged so that the operators being monitored will not know which one is being watched. The monitor can go in without the knowledge of the operators, and the monitor can hear just as well what is being said as the operator, but the operator's instructions are that the moment communication is established she shall drop out by the pressing of a lever.

Q. If she drops out the monitor drops out at the same time?—A. The monitor has not a thing to do with that, but the monitor has so much to do that there is very little time given to each subscriber by the monitor.

Q. Take this instance: We will say that the monitor puts his instrument into communication with operator No. 8; by doing that and maintaining that communication he can hear every call made to that operator by a subscriber, what number is called for, and to whom it is called?—A. That is right.

Q. And can listen for the whole forenoon, if desired?—A. Yes, sir.

Q. Now given the number of the calling subscriber and the subscriber called, the central operator establishes communication between those two, and if she does her duty she withdraws from that circuit and attends to other calls. Can the monitor keep in communication with the two subscribers after the central operator drops out?—A. I would have to make inquiry on that, because it is a point I have not paid attention to.

By Mr. DOCKERY:

Q. It is an important question. It reveals the fact whether or not this business of the company is open to the public.—A. There is not a telephone exchange operated anywhere in the world, and can not be, without a monitor system which will be capable of exercising a supervision over the operators.

Q. If you supervised the operators in that way, you necessarily have the opportunity to supervise the subscribers.—A. If that is a necessary part of it we can not help it.

Mr. WILSON. The same way with the telegraph.

Mr. PITNEY. I am not saying whether it is right or wrong. I only want to know what the fact is.

The CHAIRMAN. It seems to me, and I think the committee will take the same view, that your contract calls for the use of the telephone by the subscriber only?

A. Yes, sir.

Q. Now, say you have a system—we do not care for the details, because that is unimportant—by which you are able to ascertain whether outsiders use the telephone, and if they do, it is a matter of complaint on your part. Now, as I understand it, that is the fact, is it?—A. Yes, sir.

Q. Now, as to how that is done, we do not care particularly, or at least, I do not.

Mr. PITNEY. I do; I want to know about it.

The WITNESS. I would be glad to show you—or the whole committee if they are to come to the exchange—but I could probably show you a great many things which you would not see if you were with the members of the committee.

Mr. PITNEY. I have seen a large exchange in operation and the monitor system in operation, but I did not know how far it went.

Mr. DOCKERY. Is that the system of inspection in use in other cities?

A. Yes, sir.

By Mr. PITNEY:

Q. The Automatic Telephone Company, as I understand, obviates the difficulty of any outside parties listening to conversations after communication is once established?—A. Yes, sir; I understand the automatic system does that thing.

Q. Have you any telephones in use here to which that restriction does not apply, which limits the subscriber to the personal use of the telephone?—A. There are two places where contracts have expired now. We had formerly a flat-rate public station where by paying a certain sum in addition to the regular subscribers' rate the public use of the telephone was permitted.

Q. What was that flat rate?—A. That was, for the grounded circuit, $125.

The CHAIRMAN. What class of buildings was that for?

A. Drug stores principally.

By Mr. PITNEY:

Q. And hotels?—A. I do not know; but drug stores principally.

Q. What was the reason for applying it to grounded circuits?—A. The rate for a metallic circuit would have been higher, and they did not care about it.

Q. Taking a drug store, for instance, if they wanted a grounded circuit with unlimited use they paid what?—A. One hundred and twenty-five dollars.

Q. I do not want to give anybody else away, but I know at least one hotel where it has been the custom for any of the guests to use the telephone for communication outside, and there has been no charge made so far as I know. There are no such contracts for the benefit of hotel people, you say?—A. I could not say positively, but I will find out whether there were any of those flat-rate public stations in hotels. I think possibly the Cairo had one of those stations, but it has not now, and whether the Hamilton Hotel had or not I do not know. In fact, I would have to go to the record to find out; I am not not willing to speak of those things offhand.

(The committee decided to visit the Chesapeake and Potomac Telephone Company exchange next Friday morning at 10.30 o'clock.)

Thereupon, at 12 o'clock the committee adjourned to meet tomorrow, Thursday, at 10.30 a. m.

THURSDAY, *March 17, 1898.*

The committee met pursuant to adjournment.

All of the members of the committee were present, also Judge Jere M. Wilson, representing Mr. Bryan, of the telephone company, and Messrs. Birney and Hemphill, representing the Telephone Users' Association.

S. M. BRYAN RESUMED THE STAND FOR FURTHER EXAMINATION.

He submitted the following:

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
Washington, D. C., March 17, 1898.

Hon. WILLIAM W. GROUT,
Chairman of Select Committee House of Representatives Charged with Making Inquiries Concerning Telephone Rates in District of Columbia.

DEAR SIR: Referring to your letter of inquiry, under date of the 28th ultimo, containing six questions, three of which, namely, Nos. 3, 4, and 6, I answered in a communication addressed to you on the 9th instant (see page 23 of printed testimony), I now have the honor to make further reply to the remaining three inquiries, by submitting herewith a list of the charges for telephone service in the District of Columbia, similar information with reference to the service of this company in the city of Baltimore, Md., and to state that the amonnt of money actually invested by this company in the District of Columbia in the establishment of its existing plant is $590,737.15.

In response to your inquiry as to what restrictions or conditions, if any, are imposed upon hotels, business houses, and other users of telephones in the District of Columbia, I beg to refer you to the printed conditions in the contract forms hereinafter referred to.

I also have the honor, in response to your letter of the 9th instant (set forth on page 115 of the printed testimony), in which you are pleased to make certain inquiries and requests, to state:

As to your request numbered 1, in relation to the alleged contract between the National Bell Telephone Company and the Western Union Telegraph Company, bearing date of November 10, 1879, I have already stated, under oath, to the committee that I have no personal knowledge of the existence of this contract or its provisions.

As to your requests numbered 2 and 3, as to copies of contracts, I hope to be able to comply with them in a day or two.

As to your inquiry numbered 4, I have to advise you that the Chesapeake and Potomac Telephone Company was formed by a merger of the Maryland and District of Columbia companies on the 30th day of July, 1883.

In response to your inquiry numbered 5, I beg to state that the actual value of the plant and other physical property, real and personal, taken over by the Chesapeake and Potomac Telephone Company at the time of said reorganization or merger was $168,465.14, consisting of a plant, the actual cost of which was $91,130.21, and materials, supplies, cash, and accounts, amounting to $77,334.93, without taking into account any expenditures for franchises, licenses, rights of way, or organization expenses.

Responding to your request No. 6, I beg to state that the information therein asked for is not yet in shape for me to submit; and this, also, applies to your inquiry No. 7.

In response to your inquiry No. 8, I beg to submit a statement of the salaries paid to each of the principal officers of the Chesapeake and Potomac Telephone Company each year since its organization.

In response to your inquiry No. 9, I beg to submit with this a list of the names and residences of the officers and directors of this company.

In relation to your request No. 10, I beg to state that the information therein asked for was furnished you in my letter addressed to you on the 9th instant.

Responding to your inquiry No. 11, I beg to submit with this a statement of the purchases of supplies made by this company during the year 1897, instead of for five years past, as you request, inasmuch as I find that to go through the bills and vouchers for five years would require probably two or three weeks' time, with the force that I am able to assign to such work.

In response to your request No. 12, I beg to submit statements, in detail, for each of the years from 1891 to 1897 of the receipts and expenses of the Chesapeake and Potomac Telephone Company.

I have the honor to be, sir, yours, very respectfully,

SAM'L M. BRYAN,
President and General Manager.

Telephone rates in Washington, measured service.

[The prices given include metallic circuit lines, with long-distance equipments.]

Number of call.	Special line.	Two-party line.	Three-party line.	Extra calls, each.
				Cents.
600	$66	$54	$45	8
700	73	61	52	7
800	79	67	58	6
900	84	72	63	5
1000	88	76	67	5
1200	94	82	73	5
1400	100	88	79	5
1600	106	94	85	5
1800	112	100	91	5
2000	118	106	97	5
3000	148			

Mileage charges.

One party on a circuit, each quarter of a mile beyond 1 mile of the exchange, per annum $9.00
Two parties on a circuit, each quarter of a mile beyond 1 mile of the exchange (each party), per annum 6.00
Three parties on a circuit, each quarter of a mile beyond 1 mile of the exchange (each party), per annum 4.50

Annual advance payment.—For payment in advance of the full annual rate, an additional credit in messages equal to 10 per cent of the number paid for will be allowed.

Auxiliary station.—A station auxiliary to a message rate station, in the same building with the main station but connected by a separate direct line, will be furnished at $45 per year, all messages sent from such station to be accounted for as if sent from the main station.

Measured service, by week or month, within 1 mile of exchange.

Special circuit.					Two-party circuit.				
Calls per week.	Rate per week.	Calls per month.	Rate per month.	Extra calls.	Calls per week.	Rate per week.	Calls per month.	Rate per month.	Extra calls.
15	$1.50	60	$6.00	$0.08	15	$1.00	60	$4.00	$0.08
25	2.00	100	8.00	.07	25	1.50	100	6.00	.07
40	2.50	160	10.00	.06	40	2.00	160	8.00	.06
60	3.00	240	12.00	.05	60	2.50	240	10.00	.05

Installation will be charged in all cases where measured service is taken for less than one year, but will be rebated in full if the telephone is kept for one year or longer.

Mileage and extra equipment will be charged for in proper proportion to the established rates.

Rates for unlimited service, grounded circuit, within 1 mile of exchange.

BUSINESS.

One party with special circuit, per annum	$100
One party with special circuit, six months	63
One party with special circuit, three months	36
Two parties on same circuit, per annum, each	80
Two parties on same circuit for six months, each	50
Two parties on same circuit for three months, each	30
General circuit line, each, per annum	60
General circuit line, each, for six months	40
General circuit line, each, for three months	30

RESIDENCE.

One party with special circuit, per annum	72
One party with special circuit, six months	48
One party with special circuit, three months	30
Two parties on same circuit, per annum, each	60
Two parties on same circuit for six months, each	40
Two parties on same circuit for three months, each	30
General circuit line, each, per annum	48

General circuit line, each, for less than a year same as semispecial.

Unlimited service, grounded circuit, by week or month, within 1 mile of exchange.

[Installation will be charged, but will be rebated in full if the telephone is kept for one year or longer. Mileage and extra equipment will be charged for in proper proportion to the established rates.]

	Business.		Residence.	
	Rate per week.	Rate per month.	Rate per week.	Rate per month.
Special circuit	$2.00	$8.50	$1.50	$6.25

Rates for unlimited service, metallic circuit, within 1 mile of exchange.

BUSINESS.

One party with special circuit, per annum	$125
One party with special circuit, six months	78
One party with special circuit, three months	50
Two parties on same circuit, each, per annum	100
Three or more parties on same circuit, each, per annum	90

RESIDENCE.

One party with special circuit, per annum	100
One party with special circuit, six months	64
One party with special circuit, three months	44
Two parties on same circuit, each, per annum	80
Three or more parties on same circuit, each, per annum	70

Five or more parties in the same building, within 1 mile of the exchange, all on one wire, each, per annum, $60; contracts to run concurrently. More than 1 mile from the exchange, regular mileage in addition.

Unlimited metallic-circuit service, by week or month, within 1 mile of exchange.

[Installation will be charged, but will be rebated in full if the telephone is kept for one year or longer. Mileage and extra equipment will be charged for in proper proportion to the established rates.]

	Business.		Residence.	
	Rate per week.	Rate per month.	Rate per week.	Rate per month.
One-party line	$2.50	$11.00	$2.00	$8.50
Two-party line	2.00	8.50	1.75	7.00
General circuit	1.75	7.50	1.50	6.25

STATION EQUIPMENT.

Cabinet desk set or nickel plated desk set, per annum, extra	$10.00
Wall cabinet set, per annum, extra	5.00
For stations paying $100 per annum and over the wall cabinet set will be furnished without additional expense.	
Auxiliary bells, per annum, extra	6.00
Extra receivers, either head or hand, per annum, extra	5.00

RECEIVING TELEPHONES, METALLIC CIRCUIT.

For receiving purposes only, within 1 mile of exchange, per annum $50.00

Beyond 1 mile radius from the exchange regular metallic-circuit mileage in addition,

AUTOMATIC PAY STATIONS.

Within 1 mile of exchange (with special metallic circuit line), guarantee of $10 per month net required; commission of 25 per cent allowed subscriber on all local receipts above that amount.

If more than 1 mile from exchange (on special metallic circuit line), same as above, with regular metallic circuit mileage charge in addition.

If more than 1 mile from exchange (on party line), same as above, except as to additional mileage charge.

EXTRA-LINE MILEAGE—UNLIMITED SERVICE.

For any station located beyond 1 mile of the exchange, connected by special metallic circuit, $10 per annum for each quarter of a mile or fraction thereof; for any station connected by two-party metallic circuit line (each) $6 per annum for each quarter of a mile or fraction thereof, and $6.25 per annum for each quarter of a mile or fraction thereof for grounded circuit lines in all cases.

Private-line service.

[Long-distance (solid back) transmitter set.]

	Telephone and transmitter.	Other station equipment.	Care, per year, station outfit.
For private line	$5.00	$5.00	$5.00
For club line	5.00	5.00	5.00

[Blake transmitter set.]

For private line	$5.00	$5.00	$3.00
For club line	5.00	5.00	3.00
For social line	3.00	5.00	3.00

Line rental and care.

	Per year.
Metallic circuit:	
For line one-half of a mile or less in length	$25.00
For each additional quarter mile, or fraction thereof	10.00
Grounded line:	
For line one-half of a mile or less in length	15.00
For each additional quarter mile, or fraction thereof	5.00

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF BALTIMORE CITY.

RATES AND REGULATIONS RESPECTING CONTRACTS FOR TELEPHONE SERVICE IN BALTIMORE, MD.—REVISED JANUARY 1, 1897, AND PRINTED FOR THE INFORMATION AND GOVERNMENT OF THE COMPANY'S AGENTS.

Equipped with metallic circuit and long-distance wall-set.

Number of local calls.	Special circuit rates.	Two-party rates.	Three-party rates.	Extra calls.
				Cents.
600	$66	$50	$42	8
700	74	57	49	7
800	81	63	55	6
900	87	68	60	5
1,000	92	72	64	5
1,200	100	80	70	5
1,400	106	86	76	5
1,600	112	92	82	5
1,800	118	98	88	5
2,000	124	104	94	5
3,000	150	.....	.....	5

No charge for incoming calls. The foregoing rates apply to business places within 1 mile radius of the Exchange, and to residences within 2 miles of the Exchange. At the beginning of any quarter a subscriber having limited service may change to any higher regular rate, or to unlimited service, by paying the price therefor.

Charges for extra mileage.

	Per annum.
Special circuit, each quarter mile beyond the limit	$10.00
Two-party circuit, each quarter mile beyond the limit	6.00
Three-party circuit, each quarter mile beyond the limit	5.00

For further particulars call Telephone 1000, or address No. 9 St. Paul street.

Auxiliary station.—A station auxiliary to a message-rate station, in the same building with the main station but connected by a separate direct line, will be furnished at $45 per year; all messages sent from such station to be accounted for as if sent from the main station.

B. FLAT RATES.

Full local service will be furnished at the following rates:

Rates for unlimited service, grounded circuit, within 2 miles of exchange.

BUSINESS.

One party with special circuit, per annum	$78.00
Subscribers having two stations, each per annum	66.00

RESIDENCE.

One party with special circuit, per annum	$78.00
Subscribers having two stations, each per annum	66.00

Metallic circuit, within 1 mile of exchange.

BUSINESS.

One party with special circuit, per annum	$125.00
One party with special circuit, six months	78.00
One party with special circuit, three months	50.00
Two parties on same circuit, each	100.00
Three or more parties on same circuit, each	90.00

RESIDENCE.

One party with special circuit, per annum	$100.00
One party with special circuit, six months	64.00
One party with special circuit, three months	44.00
Two parties on same circuit, each	80.00
Three or more parties on same circuit, each	70.00

Receiving telephone, $50.

MISCELLANEOUS RULES AND REGULATIONS.

A. Station equipment.—Cabinet desk set or nickel-plated desk stand set, $10 per annum extra. Wall cabinet set, $5 per annum extra. Rental at $100 or more, no charge. An auxiliary bell will be furnished for $6 per annum.

B. Extension stations.—An extension station on the line and in the building with the main station, in connection with a flat-rate contract, per annum, as follows:

Extension set with Blake transmitter, switch, and auxiliary bell, per annum	$36.00
Extension set with long-distance transmitter (ordinary wall set), switch, and auxiliary bell, per annum	36.00
Extension set with Blake transmitter, but without switch, bell, etc	30.00
Extension set with long-distance transmitter (ordinary wall set), but without switch, auxiliary bell, etc	30.00
Renting price of desk stand, for use on grounded circuits, extra per annum	10.00
Extension sets in connection with a message-rate contract, per annum	24.00
Extension stations, with private line facilities	50.00

Extension stations will be connected under standard plans only, and not more than two such stations will be connected on one line.

C. Listing.—Not more than one name will be published under the ordinary form of contract; members of the same firm may have their names published at the rate of $5 per annum each by special contract. Parties wishing to use subscriber's telephones under flat-rate contracts and have their names published in the list of subscribers of the company will be charged $20 per annum under contracts supplemental to grounded-circuit service contracts. Parties wishing this privilege under the measured-service system will be charged $6 per annum. These payments are due in advance, and no rebate shall be made if the telephone for the use of which the privilege is granted is removed before the time has expired for which such payment was made.

D. Removals.—When a station is moved from one location to another, the subscriber shall pay the cost of labor and material required to establish the station at the new location.

Should the subscriber desire the charge to be fixed in advance of the work, $5 for a change within the same block and $10 for a change to a different block may be agreed to.

When the station has been in service at least one year it will be moved without charge if the contract be renewed for one year from the date of the establishment of the station at the new location.

E. Extra line mileage.—For any station located beyond 1 mile of the exchange, connected by direct metallic-circuit wire, $10 per annum for each quarter of a mile or fraction thereof; for any stations connected by two-party metallic-circuit line, $6 each per annum for each quarter of a mile or fraction thereof; three-party, $5.

For any station located beyond 2 miles of the exchange, connected by grounded-circuit wire, $12 per annum for each mile or fraction thereof.

F. Superseding contracts.—A subscriber under a flat-rate contract may change to an annual message-rate contract at the end of any month after the term for which he has contracted has expired.

A subscriber under a message-rate contract may make a new annual contract for a larger number of messages or a new annual flat-rate contract at the end of any quarter.

Not more than one change of contract (from flat to message rate, or vice versa) will be made in the same year.

H. Termination of contracts.—When a subscriber desires to terminate a contract which has run more than one year, any reasonable notice may be accepted. When a contract under the message system has not run one year, the subscriber may terminate it by paying the full amount due to the date of termination plus one-half of the minimum annual rate for the class of line covered by the contract, for the unexpired portion of such year.

When a contract under the flat-rate system has not run one year the subscriber will be charged in accordance with the rates for periods of less than one year, given above.

Private-line and speaking-tube service.

[Long-distance (solid-back) transmitter set.]

	Telephone and transmitter.	Other station equipment.	Care per year, station outfit.
For private line	$5.00	$5.00	$5.00
For club line	5.00	5.00	5.00

[Blake transmitter set.]

For private line	$5.00	$5.00	$3.00
For club line	5.00	5.00	3.00
For social line	3.00	5.00	3.00
For speaking tube (all classes)	3.00	5.00	3.00

[Magneto transmitter set.]

Rental for all purposes herein described	$2.00	$3.00	$1.50

[Speaking-tube service.]

Hotel set, with bell	$3.50	.....	$3.00
Hotel set, without bell	3.00	.....	3.00
Blake set	3.00	$5.00	3.00

Line rental and care.

	Per year.
Metallic circuit:	
For line one-half of a mile or less in length	$25.00
For each additional quarter mile, or fraction thereof	10.00
Ground line:	
For line one-half of a mile or less in length	15.00
For each additional qaarter mile, or fraction thereof	5.00

Selling price of magneto sets for private lines and speaking-tube service.

Spoon transmitter	$5.00
Watch receiver	2.00
Magneto bell, No. 15	7.50
Cord	.50
Complete set	15.00

The above rates and regulations can not be varied or waived except by the president or general manager, in writing. The action of the president or general manager in a particular case will not be considered a precedent for guidance in other apparently like cases. Rates, regulations, and forms will be adopted or discontinued and equipments and plans will be standardized by general instructions only. Questions respecting rates and contracts not herein specifically covered, shall be submitted to the general manager.

[This is the duplicate to be retained by the subscriber after acceptance.]

Supplemental contract (annual advance payment).

The subscriber having paid to the Chesapeake and Potomac Telephone Co. the entire sum, viz, ——— dollars, specified in his contract with said company dated ——— ———, 189—, for the right to send ——— local messages during the first year of the term of said contract, it is agreed that the subscriber shall have the right to send during said year ——— additional local messages, making a total of ——— local messages, and that no further payment shall be required of the subscriber for local

messages during said year until the said total number of messages have been sent. Except as herein specifically provided otherwise said contract shall remain in full force and effect.

(Subs'r) ——— ———,
——— ———.

Accepted ——— ———, 189—, by The Chesapeake and Potomac Telephone Company,
By ——— ———, *President.*

[Original.]

Supplemental contract (annual advance payment).

The subscriber having paid to The Chesapeake and Potomac Telephone Co. the entire sum, viz, ——— dollars, specified in his contract with said company dated ——— ———, 189—, for the right to send ——— local messages during the first year of the term of said contract, it is agreed that the subscriber shall have the right to send during said year ——— additional local messages, making a total of ——— local messages, and that no further payment shall be required of the subscriber for local messages during said year until the said total number of messages have been sent. Except as herein specifically provided otherwise said contract shall remain in full force and effect.

(Subs'r) ——— ———,
——— ———.

Accepted ——— ———, 189—, by The Chesapeake and Potomac Telephone Company.
By ——— ———, *President.*

[This is the duplicate to be retained by the subscriber after acceptance.]

Supplemental contract (change of location—subscriber's expense).

The subscriber requests The Chesapeake and Potomac Telephone Co. to move the telephone station now at ——— on or about ——— ———, 189—, in accordance with his contract with said company, dated ——— ———, 189—; and it is agreed that the expense of such removal will be paid by the subscriber to the company on demand.

(Subs'r) ——— ———,
——— ———.

Accepted ——— ———, 189—, by The Chesapeake and Potomac Telephone Company.
By ——— ———, *President.*

[Original.]

Supplemental contract (change of location—subscriber's expense).

The subscriber requests The Chesapeake and Potomac Telephone Co. to move the telephone station now at ———, on or about ——— ———, 189—, in accordance with his contract with said company dated ——— ———, 189—, and it is agreed that the expense of such removal will be paid by the subscriber to the company on demand,

(Subs'r) ——— ———,
——— ———.

Accepted ——— ———, 189—, by The Chesapeake and Potomac Telephone Company,
By ——— ———, *President.*

Prog. No.

MEMORANDA.

.....	.....
Present Drop No.....	.....
.....	.....
.....	.....
.....	Connected .....189..
.....	.....

[This is the duplicate to be retained by the subscriber after acceptance.]

Supplemental contract (extension station).

The subscriber requests The Chesapeake and Potomac Telephone Co., subject to his contract with said company dated ——— ——, 189—, to establish ——— extension station— and connect the same on the line with the station and on the premises named in said contract, for which he agrees to pay, in addition to the amount named in said contract, ——— dollars per ———, payable ———.

(Subs'r) ——— ———,

———.

Accepted ——— ——, 189—, by The Chesapeake and Potomac Telephone Company,

By ——— ———, *President.*

[Original.]

Supplemental contract, (extension station.)

The subscriber requests The Chesapeake and Potomac Telephone Co., subject to his contract with said company dated ——— ——, 189—, to establish ——— extension station— and connect the same on the line with the station and on the premises named in said contract, for which he agrees to pay, in addition to the amount named in said contract, ——— dollars, per ———, payable ———.

(Subs'r) ——— ———,

———.

Accepted ——— ——, 189—, by The Chesapeake and Potomac Telephone Company,

By ——— ———, *President.*

Prog. No. MEMORANDA.

.....	.....
Present drop No.....	.....
.....	.....
.....	.....
.....	Connected .....189..
.....	.....

[This is the duplicate to be retained by the subscriber after acceptance.]

Supplemental contract (mileage).

The subscriber agrees with The Chesapeake and Potomac Telephone Co., in connection with his contract with said company of even date, on account of the distance to his premises beyond 1 mile of the ——— Exchange, to pay in addition to the amount named in said contract ——— dollars per annum, payable ———.

(Subs'r) ——— ———,

———.

Accepted ——— —— 189—, by The Chesapeake and Potomac Telephone Company.

By ——— ———, *President.*

[Original.]

Supplemental contract (mileage).

The subscriber agrees with The Chesapeake and Potomac Telephone Co., in connection with his contract with said company of even date, on account of the distance to his premises beyond 1 mile of the ——— exchange, to pay in addition to the amount named in said contract ——— dollars per annum, payable ———.

(Subs'r) ——— ———,

———.

Accepted ——— ——, 189—, by The Chesapeake and Potomac Telephone Company.

By ——— ———, *President.*

[This is the duplicate to be retained by the subscriber after acceptance.]

Supplemental contract (extra equipment).

The subscriber requests The Chesapeake and Potomac Telephone Co., subject to his contract with said company dated ——— ———, 189—, to equip the station referred to in said contract with ———, for which he agrees to pay, in addition to the amount named in said contract, ——— dollars per ———, payable ———.

(Subs'r) ——— ———,

———.

Accepted ——— ———, 189—, by the Chesapeake and Potomac Telephone Company.

By ——— ———, *President.*

[Original.]

Supplemental contract (extra equipment).

The subscriber requests The Chesapeake and Potomac Telephone Company, subject to his contract with said company, dated ——— ———, 189—, to equip the station referred to in said contract with ———, for which he agrees to pay, in addition to the amount named in said contract, ——— dollars per ———, payable ———.

(Subs'r) ——— ———,

———.

Accepted ——— ———, 189—, by The Chesapeake and Potomac Telephone Company.

By ——— ———, *President.*

Prog. No.

MEMORANDA.

.....	.....
Present Drop No.....	.....
.....	.....
.....	.....
.....	Connected..... 189..
.....	.....

[Read this contract.]

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY.

Entered ———.] [Rental commences ———.

The undersigned, who is connected with the company's exchange in the city of Washington, D. C., under a subscriber's contract for ——— service, dated ——— ———, 189—, desires to have the following insertion made ——— in the list of subscribers of The Chesapeake and Potomac Telephone Company under the number of such subscriber, for one year from ———, or until the termination of said contract, if said contract be sooner terminated, for which he agrees to pay to said company ——— per annum, payable ——— in advance.

No rebate will be made on account hereof if the above-described telephone service be discontinued before the expiration of the time for which this payment is made.

This application shall become a contract when accepted by the company by the signature of its president hereto. Its terms can not be varied or waived by any representations of any canvasser or other person, unless such variation or waiver be in writing and signed by the said president. The subscriber acknowledges that he has received a duplicate hereof.

Signed at ———.

Signature ——— ———.

Accepted by The Chesapeake and Potomac Telephone Company ——— ———, 189—.

——— ———, *President.*

[Read this contract.]

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY.

Entered ———.] [Rental commences ———.

The undersigned, whose place of business is in the same building with ——— ———, who is connected with the company's exchange in the city of Washington, D. C., under a subscriber's contract for ——— service, dated ——— ——, 189—, desires to have the use of said subscriber's telephone, and to have his name published in the list of subscribers of The Chesapeake and Potomac Telephone Company under the number of such subscriber, for one year from ———, or until the termination of said contract, if said contract be sooner terminated, such use to be subject to the terms and conditions of said contract, for which he agrees to pay to said company ——— per annum, payable ——— in advance.

No rebate will be made on account hereof if the above-described telephone service be discontinued before the expiration of the time for which this payment is made.

This application shall become a contract when accepted by the company by the signature of its president hereto. Its terms can not be varied or waived by any representations of any canvasser or other person unless such variation or waiver be in writing and signed by the said president. The subscriber acknowledges that he has received a duplicate hereof.

Signed at ———.

Signature, ——— ———.
Business, ——— ———.
Location, ——— ———.

Accepted by the Chesapeake and Potomac Telephone Company ——— ——, 189—.

——— ———, *President.*

I hereby agree to the above.

——— ———, *Subscriber.*

[Read this contract.]

Subscription to the exchange of the Chesapeake and Potomac Telephone Company.

[Rental begins ———.]

RULES AND REGULATIONS.

All contracts for telephone exchange service furnished by the Chesapeake and Potomac Telephone Company must be made in writing, or partly in print and partly in writing, and must contain the following terms and conditions, namely:

The instruments and lines on the subscriber's premises shall be for the subscriber's use only, and carefully used, and only as herein stated; all ordinary expense of maintenance and repair thereof to be borne by the Chesapeake and Potomac Telephone Company. The subscriber is to pay $10 for each telephone or transmitter destroyed otherwise than by unavoidable accident, and $25 per month in case of unauthorized removal or detention of such telephone or transmitter, until its destruction or its loss, without his fault, is satisfactorily proved; but the payment shall not confer any title to the instruments or right to use them otherwise than is provided by the regulations of this company. In case of interruption of communication, from any cause whatever, the liability of the company therefor shall be limited to a repayment or rebate by it of a proportionate part of the yearly rental below named for the time such interruption shall continue, after twenty-four hours' written notice to the company of such interruption. No repayment or rebate will be made for interruptions unless such interruptions aggregate more than three days in any month, nor for those caused by the negligence or willful interference of the subscriber or of his agents or servants. The company shall not be liable for any loss or injury caused by interruption of or failure to restore communication, except in the case and to the extent above provided. The said company will remove the instruments from place to place during the continuance of this contract, within the territory covered by the lines of the exchange to which he is a subscriber, upon request and payment of the expense thereof. Upon nonpayment of any sum due or payable by the subscriber under his subscription to such exchange, or of any use of the instruments on said premises improper or contrary to these regulations, or of any removal therefrom, or of any breach by a subscriber of any of these regulations, the said company may terminate the subscriber's right to use such instruments by twenty-four hours' written notice served on him or any occupant of the premises or set up on the premises, and sever his connection and remove the instruments; and for this purpose and for all purposes of inspection it and its servants may have access thereto.

The right of the subscriber is to use the instruments and connecting wires where the said company may place them, under such rules as the said company may from time to time prescribe, for the purpose of the subscriber's communication with its exchange, and parties with whom the said exchange may connect him for that purpose, upon his and their business. They are not to be used for any toll or consideration to be paid by any person other than the subscriber, nor for performing any part of the work of the collecting, transmitting, or delivering any message in respect of which any toll or consideration has been or is to be paid to any party other than the said company, nor for transmitting market quotations or news for sale, publication, or distribution, nor for calling messengers, except from the central office of said company, or performing any other service in competition with service which the said company may undertake to perform. Said telephone and transmitter instruments are the property of the American Bell Telephone Company, are constructed and used under its patents, and are leased and licensed by it only for the uses above stated, in consideration of a royalty and rental which it is to receive therefor, part of the payment named below, and which The Chesapeake and Potomac Telephone Company is authorized to collect for a period not exceeding one year in advance; but any use otherwise or without the payment of said rental or royalty is also an injury to and an invasion of the said rights of the American Bell Telephone Company, entliting it to an injunction and other legal redress in a suit in its name and behalf, and to the remedies, by taking possession of instruments and lines, and collecting rentals from the subscriber, as provided in the contract between the said company and the said The Chesapeake and Potomac Telephone Company, and which the subscriber agrees to permit and to pay.

In view of the liabilities to errors in transmitting oral messages by telephone and the impossibility of fairly fixing the cause thereof, the subscriber assumes all the risks of errors from misconnections or mistakes upon and by any telephone line, and the officers and servants of the company owning such line, in transmitting, receiving, or delivering messages; and in respect of any message which may be sent or received by or for him over any other telephone or telegraph line no line shall be responsible for defaults occurring on any other line, nor on its own lines, except as specified in its usual contracts, nor for any damages, unless the claim therefor be presented in writing within thirty days after sending the message, and he makes the said The Chesapeake and Potomac Telephone Company and its agents, and the agents of every other line over which said message may pass, his agent to receive the same, to forward it toward destination at the rate of unrepeated messages, and for that purpose to bind him by the contracts on the usual blanks, and make the message subject to the usual limitations, rules, and regulations, to which he hereby agrees. He will reimburse the said The Chesapeake and Potomac Telephone Company for all tolls it may pay on such messages.

No instrument or appliance of any kind whatsoever not furnished by the said company shall be attached to or used in connection with the instruments furnished by the said company without the consent, in writing, of the said company first obtained therefor; and no instrument furnished by the said company shall be used in connection with any such unauthorized instrument or appliance.

In case of the passage of a law which, in the opinion of the said company, shall tend to materially increase the cost of maintaining wire communication between subscribers, the company may, at its option, terminate the contract and remove the instruments before the expiration of the term hereinafter stated.

All the obligations of the contract of any subscriber to the telephone exchange of this company are binding on such subscriber until the instruments shall be redelivered to the said company, or the American Bell Telephone Company, or until, being bound and requested so to do, and having an opportunity to remove the same, they shall neglect to do so. All words herein referring to the subscriber shall be taken to be of such number and gender as the character of the subscriber may require.

Either the company or the subscriber may terminate any contract for telephone service after the expiration of the term for which it was made by giving ten days' notice in writing to the other party to such contract, but every such contract shall be deemed as continuing on the same terms, after the expiration of such term, unless it is terminated by such notice.

Each subscriber to said telephone exchange shall pay to the said company quarterly in advance, unless otherwise stipulated below, the rental or sum payable by such subscriber for the use of such instruments and connections, commencing as soon as the instruments shall be placed and connected, and also pay to the said company the value, at the company's selling price, of each bell or combination, consisting of magnetobell, auxiliary bell or bells, battery box, battery, cord, etc., or any part thereof, lost or destroyed on the premises of said subscriber during the continuance of this contract; and shall also pay to the company the charges for all toll messages sent through the instruments on his premises.

The subscriber requests The Chesapeake and Potomac Telephone Company to place in the premises ——— one magneto telephone, one "solid back" battery transmitter, with necessary battery, and one magneto call bell ———, and to connect the same by means of a complete metallic circuit, consisting of two wires, with the company's exchange at Washington, D. C., for the use of the subscriber only, until the 1st day of ———, 189—, and thereafter until this agreement is terminated by ten days' notice in writing given by either party to the other, upon the terms and conditions stated above, which he hereby promises to keep and perform, and agrees to pay to the said company for such instruments and telephone connections at the rate of ——— dollars per annum, payable ——— in advance, beginning as soon as the instruments shall be placed and connected.

A discount of ——— per —— will be allowed upon this contract if payment be made in advance, as stipulated, at the office of the company, 619 Fourteenth street NW., Washington, D. C., within the first —— days of ——— of each year.

This request becomes a binding contract as soon as accepted by the president of the said The Chesapeake and Potomac Telephone Company, as shown by his signature hereto. Its terms can not be varied or waived by any representations or promises of any canvasser or other person, unless the same be in writing and signed by the president of said company. The subscriber hereby acknowledges the receipt of a duplicate hereof.

Signed at Washington, D. C., ——— ——, 189—.

Name, ——— ———,
Business, ——— ———.

Accepted by The Chesapeake and Potomac Telephone Company.

——— ———, *President.*

[Read this contract.]

Subscription to the exchange of the Chesapeake and Potomac Telephone Company.

[Rental begins ———.]

RULES AND REGULATIONS.

All contracts for telephone exchange service furnished by The Chesapeake and Potomac Telephone Company must be made in writing, or partly in print and partly in writing, and must contain the following terms and conditions, namely:

The instruments and lines on the subscriber's premises shall be for the subscriber's use only, and carefully used, and only as herein stated; all ordinary expense of maintenance and repair thereof to be borne by the Chesapeake and Potomac Telephone Company. The subscriber is to pay $10 for each telephone or transmitter destroyed otherwise than by unavoidable accident, and $25 per month in case of unauthorized removal or detention of such telephone or transmitter, until its destruction or its loss, without his fault, is satisfactorily proved; but the payment shall not confer any title to the instruments or right to use them otherwise than is provided by the regulations of this company. In case of interruption of communication, from any cause whatever, the liability of the company therefor shall be limited to a repayment, or rebate by it, of a proportionate part of the yearly rental below named for the time such interruption shall continue after twenty-four hours' written notice to the company of such interruption. No repayment or rebate will be made for interruptions, unless such interruptions aggregate more than three days in any month, nor for those caused by the negligence or willful interference of the subscriber or of his agents or servants. The company shall not be liable for any loss or injury caused by interruption of or failure to restore communication, except in the case and to the extent above provided. The said company will remove the instruments from place to place during the continuance of this contract, within the territory covered by the lines of the exchange to which he is a subscriber, upon request and payment of the expense thereof. Upon nonpayment of any sum due or payable, by the subscriber, under his subscription to such exchange, or of any use of the instruments on said premises improper or contrary to these regulations, or of any removal therefrom, or of any breach by a subscriber of any of these regulations, the said company may terminate the subscriber's right to use such instruments by twenty-four hours' written notice served on him or any occupant of the premises or set up on the premises, and sever his connection and remove the instruments; and for this purpose and for all purposes of inspection it and its servants may have access thereto.

The right of the subscriber is to use the instruments and connecting wires where the said company may place them, under such rules as the said company may from time to time prescribe, for the purpose of the subscriber's communication with its exchange, and parties with whom the said exchange may connect him for that pur-

pose, upon his and their business. They are not to be used for any toll or consideration to be paid by any person other than the subscriber, nor for performing any part of the work of collecting, transmitting, or delivering any message in respect of which any toll or consideration has been or is to be paid to any party other than the said company, nor for transmitting market quotations or news for sale, publication, or distribution, nor for calling messengers, except from the central office of said company, or performing any other service in competition with service which the said company may undertake to perform. Said telephone and transmitter instruments are the property of the American Bell Telephone Company, are constructed and used under its patents, and are leased and licensed by it only for the uses above stated, in consideration of a royalty and rental which it is to receive therefor, part of the payment named below, and which The Chesapeake and Potomac Telephone Company is authorized to collect for a period not exceeding one year in advance; but any use otherwise or without the payment of said rental or royalty is also an injury to and an invasion of the said rights of the American Bell Telephone Company, entitling it to an injunction and other legal redress in a suit in its name and behalf, and to the remedies, by taking possession of instruments and lines, and collecting rentals from the subscriber, as provided in the contract between the said company and the said The Chesapeake and Potomac Telephone Company, and which the subscriber agrees to permit and to pay.

In view of the liabilities to errors in transmitting oral messages by telephone, and the impossibility of fairly fixing the cause thereof, the subscriber assumes all the risks of errors from misconnections or mistakes upon and by any telephone line, and the officers and servants of the company owning such line, in transmitting, receiving, or delivering messages; and in respect of any message which may be sent or received by or for him over any other telephone or telegraph line, no line shall be responsible for defaults occurring on any other line, nor on its own lines, except as specified in its usual contracts, nor for any damages, unless the claim therefor be presented in writing within thirty days after sending the message, and he makes the said The Chesapeake and Potomac Telephone Company and its agents, and the agents of every other line over which said message may pass, his agent to receive the same, to forward it towards destination at the rate of unrepeated messages, and for that purpose to bind him by the contracts on the usual blanks, and make the message subject to the usual limitations, rules, and regulations, to which he hereby agrees. He will reimburse the said The Chesapeake and Potomac Telephone Company for all tolls it may pay on such messages.

No instrument or appliance of any kind whatsoever not furnished by the said company shall be attached to or used in connection with the instruments furnished by the said company without the consent, in writing, of the said company first obtained therefor; and no instrument furnished by the said company shall be used in connection with any such unauthorized instrument or appliance.

In case of the passage of a law which, in the opinion of the said company, shall tend to materially increase the cost of maintaining wire communication between subscribers, the company may, at its option, terminate the contract and remove the instruments before the expiration of the term hereinafter stated.

All the obligations of the contract of any subscriber to the Telephone Exchange of this company are binding on such subscriber until the instruments shall be redelivered to the said company or the American Bell Telephone Company, or until, being bound and requested so to do, and having an opportunity to remove the same, they shall neglect to do so. All words herein referring to the subscriber shall be taken to be of such number and gender as the character of the subscriber may require.

Either the company or the subscriber may terminate any contract for telephone service after the expiration of the term for which it was made, by giving ten days' notice in writing to the other party to such contract, but every such contract shall be deemed as continuing on the same terms, after the expiration of such term, unless it is terminated by such notice.

Each subscriber to said telephone exchange shall pay to the said company quarterly in advance, unless otherwise stipulated below, the rental or sum payable by such subscribers for the use of such instruments and connections, commencing as soon as the instruments shall be placed and connected, and also pay to the said company the value, at the company's selling price, of each bell or combination, consisting of magneto bell, auxiliary bell or bells, battery box, battery cord, etc., or any part thereof, lost or destroyed on the premises of said subscriber during the continuance of this contract, and shall also pay to the company the charges for all toll messages sent through the instruments on his premises.

The subscriber requests The Chesapeake and Potomac Telephone Company to place in the premises ——— one telephone, one transmitter, and one magneto bell, and to connect the same by means of grounded ——— wire, with the company's exchange at Washington, D. C., for the subscriber's use only, until the first day of ———, 189—,

and thereafter until this agreement is terminated by ten days' notice in writing given by either party to the other, upon the terms and conditions stated above, which he hereby promises to keep and perform, and agrees to pay to the said company for such instruments and telephone connections at the rate of ——— dollars per annum, payable ——— in advance, beginning as soon as the instruments shall be placed and connected.

A discount of ——— per —— will be allowed upon this contract, if payment be made in advance as stipulated, at the office of the company, 619 Fourteenth street NW., Washington, D. C., within the first —— days of ——— of each year.

This request becomes a binding contract as soon as accepted by the president of the said The Chesapeake and Potomac Telephone Company, as shown by his signature hereto. Its terms can not be varied or waived by any representations or promises of any canvasser or other person, unless the same be in writing and signed by the president of said company. The subscriber hereby acknowledges the receipt of a duplicate hereof.

Signed at Washington, D. C., ——— ——, 189—.

Name, ——— ———,
Business, ——— ———.

Accepted by The Chesapeake and Potomac Telephone Company.

——— ———, *President.*

[Duplicate.]

The subscriber requests the Chesapeake and Potomac Telephone Company (herein styled the "company") to establish at ———, Washington, D. C., a telephone station equipped with one magneto telephone, one "solid-back" battery transmitter, ——— with necessary battery, and one magneto call bell, and to connect the same by means of a complete ——— metallic circuit with the company's exchange at Washington, D. C., and furnish service for one year from ——— and thereafter until this agreement is terminated by ten days' notice in writing given by either party to the other, upon the terms and conditions stated below and on the back hereof, which are made a part of this agreement, and which he hereby promises to keep and perform, and agrees to pay for the right to send in said year ——— local messages ——— dollars, payable ——— in advance; for additional local messages ——— cents each, payable as herein provided, and for foreign messages such tolls as are now or may be established, payable on demand. This request becomes a binding contract as soon as accepted by the president of the said The Chesapeake and Potomac Telephone Company, as shown by his signature hereto. Its terms can not be varied or waived by any representations or promises of any canvasser or other person, unless the same be in writing and signed by the president of said company.

A "local message" is a personal communication, five minutes or less in duration, from said station to another station in said city, connected with the exchange of the company; a "foreign message" is a personal communication, of such duration as is now or may be established, from said station to a station connected with any exchange outside said city. All words herein referring to the subscriber shall be taken to be of such number and gender as the character of the subscriber may require, and all words herein referring to the schedule or the schedule rate shall be taken to mean and intend the schedule or the schedule rate of the company for a ——— line at the time of the execution of this contract.

The rate of local messages for each year succeeding the first shall be in accordance with the schedule in force at the beginning of such year, and shall be computed from the number of such messages sent from such station during the preceding year; but the rate shall not exceed that prescribed by the schedule in force at the beginning of the preceding year unless there be mailed to the subscriber, at least fifteen days before the commencement of the year, a notice of such excess and the subscriber in writing, or by a continuance of the service, assents thereto.

If more local messages than one-fourth the number agreed in this contract to be paid for during any year be sent in any quarter of such year, the subscriber shall, whenever requested, pay for such additional local messages. If fewer local messages than those paid for are sent during any year, a rebate will be made at the end of such year, so that the sum retained by the company shall be at the rate for the local messages sent as fixed in the schedule in force at the beginning of such year, in no case less than the minimum annual rate fixed in said schedule.

If the service is interrupted, otherwise than by the negligence or willful interference of the subscriber, a rebate at the minimum annual rate for local messages fixed in the schedule in force at the beginning of the year in which the interruption occurs shall be made for the time such interruption continues after twenty-four hours' notice in writing to the company, but no other liability shall, in any case, attach to the company. Upon the request and at the expense of the subscriber, the company will move the station from place to place to any accessible point in said city served

by and within 1 mile of the company's exchange. The instruments and lines shall be carefully used, and only as herein stated; and no instrument or appliance not furnished by the company shall be attached to or used in connection with them.

Upon the termination hereof in any year, as herein provided, the company shall be entitled to payment for local messages sent during the expired portion of such year, at the rate fixed in the schedule in force at the beginning of such year, in no case less than such proportion of the minimum annual rate fixed in said schedule as the expired portion of the year shall bear to the whole year; and if this contract is terminated within the first year, which may be done upon ten days' written notice, the company shall also be entitled to one-half of such proportion of the said minimum annual rate as the unexpired portion of the year shall bear to the whole year. Either party may terminate it at or after the expiration of the first year by not less than ten days' previous notice in writing to the other party. Upon nonpayment of any sum due, the abandonment of the station, or any violation hereof, the company may, without notice, terminate the subscriber's rights hereunder, sever the connection, and remove the instruments.

The conditions on the back hereof are made a part of this contract.

(Subs'r) ——— ———,
——— ———,
Business ——— ———.

Accepted ——— ——— by the Chesapeake and Potomac Telephone Company,
By ——— ———, *President.*

(On back:) The Chesapeake and Potomac Telephone Company. Name ———. Address ———. Duplicate contract for telephone service (——— line—message rate). To supersede on ———. Contract dated ———. Drop No. ———. Matter for subscriber's list ———. Memoranda: ———. Connected ———. Drop No. ———.

CONDITIONS.

The instruments and lines on the subscriber's premises shall be carefully used, and only as herein stated, all ordinary expense of maintenance and repair thereof to be borne by the Chesapeake and Potomac Telephone Company. The subscriber is to pay $10 for each telephone or transmitter destroyed otherwise than by unavoidable accident, and $25 per month in case of unauthorized removal or detention of such telephone or transmitter until its destruction or its loss, without his fault, is satisfactorily proved; but the payment shall not confer any title to the instruments or right to use them otherwise than is provided by the conditions of this company. Upon nonpayment of any sum due or payable by the subscriber under his subscription to such exchange, or of any use of the instruments on said premises improper or contrary to these conditions, or of any removal therefrom, or of any breach by a subscriber of any of these regulations the said company may terminate the subscriber's right to use such instruments by twenty-four hours' written notice served on him or any occupant of the premises or set up on the premises, and sever his connection and remove the instruments; and for this purpose and for all purposes of inspection it and its servants may have access thereto.

The right of the subscriber is to use the instruments and connecting wires where the said company may place them, under such rules as the said company may from time to time prescribe, for the purpose of the subscriber's communication with its exchange, and parties with whom the said exchange may connect him for that purpose, upon his and their business. They are not to be used for performing any part of the work of collecting, transmitting, or delivering any message in respect of which any toll or consideration has been or is to be paid to any party other than the said company (except where special arrangements have been made by the subscriber with the company or with any party previously designated by the company), nor for transmitting market quotations or news for sale, publication, or distribution, nor for calling messengers, except from the central office of said company, or performing any other service in competition with service which the said company may undertake to perform. Said telephone and transmitter instruments are the property of the American Bell Telephone Company, are constructed and used under its patents, and are leased and licensed by it only for the use within stated, in consideration of a royalty and rental which it is to receive therefor, part of the payment named within, and which the Chesapeake and Potomac Telephone Company is authorized to collect for a period not exceeding one year in advance; but any use otherwise or without the payment of said rental or royalty is also an injury to and an invasion of the said rights of the American Bell Telephone Company, entitling it to an injunction and other legal redress in a suit in its name and behalf, and to the remedies, by taking possession of instruments and lines, and collecting rentals from the subscriber, as provided in the contract between the said company and the said The Chesapeake and Potomac Telephone Company, and which the subscriber agrees to permit and to pay.

In view of the liabilities to errors in transmitting oral messages by telephone, and the impossibility of fairly fixing the cause thereof, the subscriber assumes all the risks of errors from misconnections or mistakes upon and by any telephone line, and the officers and servants of the company owning such line, in transmitting, receiving, or delivering messages; and in respect of any message which may be sent or received by or for him over any other telephone or telegraph line, no line shall be responsible for defaults occurring on any other line, nor on its own lines, except as specified in its usual contracts, nor for any damages, unless the claim therefor be presented in writing within thirty days after sending the message, and he makes the said The Chesapeake and Potomac Telephone Company and its agents, and the agents of every other line over which said message may pass, his agent to receive the same, to forward it toward destination at the rate of unrepeated messages, and for that purpose to bind him by the contracts on the usual blanks, and make the message subject to the usual limitations, rules, and regulations, to which he hereby agrees. He will reimburse the said the The Chesapeake and Potomac Telephone Company for all tolls it may pay on such messages.

No instrument or appliance of any kind whatsoever not furnished by the Chesapeake and Potomac Telephone Company shall be attached to, or used in connection with, the instruments furnished by the said company, without the consent, in writing, of the said company first obtained therefor; and no instrument furnished by the said company shall be used in connection with any such unauthorized instrument or appliance.

In case of the enactment of any law, or the interpretation or construction of any existing law, which, in the opinion of the said company, shall tend to materially increase the cost of maintaining wire communication between subscribers, or which shall deprive the company of the right or privilege to maintain such wire connection, or shall render it necessary to make new or different construction for the purpose of supplying the service, the company may, at its option, on giving twenty-four hours' notice of its intention to do so, remove the instruments and terminate the within contract.

All the obligations of the contract of any subscriber to the telephone exchange of this company are binding on such subscriber until the instruments shall be redelivered to the said company, or the American Bell Telephone Company, or until, being bound and requested so to do and having an opportunity to remove the same, they shall neglect to do so.

Each subscriber to said telephone exchange shall pay to the said company the value, at the company's selling price, of each bell or combination, consisting of magneto bell, auxiliary bell, or bells, battery box, battery, cord, etc., or any part thereof, lost or destroyed on the premises of said subscriber during the continuance of this contract; and shall also pay to the company the charges for all toll messages sent through the instruments on his premises.

[Original.]

The subscriber requests the Chesapeake and Potomac Telephone Company (herein styled the "company"), to establish at ———, Washington, D. C., a telephone station equipped with one magneto telephone, one "solid back" battery transmitter, ——— with necessary battery, and one magneto call bell, and to connect the same by means of a complete ——— metallic circuit with the company's exchange at Washington, D. C., and furnish service for one year from ——— and thereafter until this agreement is terminated by ten days' notice in writing given by either party to the other, upon the terms and conditions stated below and on the back hereof, which are made a part of this agreement and which he hereby promises to keep and perform; and agrees to pay for the right to send in said year ——— local messages ——— dollars, payable ——— in advance; for additional local messages ——— cents each, payable as herein provided; and for foreign messages such tolls as are now or may be established, payable on demand. This request becomes a binding contract as soon as accepted by the president of the said The Chesapeake and Potomac Telephone Company as shown by his signature hereto. Its terms can not be varied or waived by any representations or promises of any canvasser or other person, unless the same be in writing and signed by the president of said company. The subscriber hereby acknowledges the receipt of a duplicate hereof.

A "local message" is a personal communication, five minutes or less in duration, from said station to another station in said city, connected with the exchange of the company; a "foreign message" is a personal communication, of such duration as is now or may be established, from said station to a station connected with any exchange outside said city. All words herein referring to the subscriber shall be taken to be of such number and gender as the character of the subscriber may require, and all words herein referring to the schedule or the schedule rate shall be taken to mean and intend the schedule or the schedule rate of the company for a ——— line at the time of the execution of this contract.

The rate of local messages for each year succeeding the first shall be in accordance with the schedule in force at the beginning of such year, and shall be computed from the number of such messages sent from such station during the preceding year; but the rate shall not exceed that prescribed by the schedule in force at the beginning of the preceding year unless there be mailed to the subscriber, at least fifteen days before the commencement of the year, a notice of such excess and the subscriber in writing, or by a continuance of the service, assents thereto.

If more local messages than one-fourth the number agreed in this contract to be paid for during any year be sent in any quarter of such year, the subscriber shall, whenever requested, pay for such additional local messages. If fewer local messages than those paid for are sent during any year, a rebate will be made at the end of such year, so that the sum retained by the company shall be the rate for the local messages sent as fixed in the schedule in force at the beginning of such year, in no case less than the minimum annual rate fixed in said schedule.

If the service is interrupted otherwise than by the negligence or willful interference of the subscriber, a rebate at the minimum annual rate for local messages fixed in the schedule in force at the beginning of the year in which the interruption occurs shall be made for the time such interruption continues after twenty-four hours' notice in writing to the company, but no other liability shall, in any case, attach to the company. Upon the request and at the expense of the subscriber, the company will move the station from place to place to any accessible point in said city served by and within 1 mile of the company's exchange. The instruments and lines shall be carefully used, and only as herein stated; and no instrument or appliance not furnished by the company shall be attached to or used in connection with them.

Upon the termination hereof in any year, as herein provided, the company shall be entitled to payment for local messages sent during the expired portion of such year, at the rate fixed in the schedule in force at the beginning of such year, in no case less than such proportion of the minimum annual rate fixed in said schedule as the expired portion of the year shall bear to the whole year; and, if this contract is terminated within the first year, which may be done upon ten days' written notice, the company shall also be entitled to one-half of such proportion of the said minimum annual rate as the unexpired portion of the year shall bear to the whole year. Either party may terminate it at or after the expiration of the first year by not less than ten days' previous notice in writing to the other party. Upon nonpayment of any sum due, the abandonment of the station, or any violation hereof, the company may, without notice, terminate the subscriber's rights hereunder, sever the connection, and remove the instruments.

The conditions on the back hereof are made a part of this contract.

(Subs'r) ——— ———,

———— ————,

Business ——— ———.

Accepted ——— —— by the Chesapeake and Potomac Telephone Company.

By ——— ———, *President.*

(On back): The Chesapeake and Potomac Telephone Company. Name ———. Address ———. Original contract for telephone service. (—— line-message rate.) To supersede on ———. Contract dated ———. Drop No. ——. Matter for subscriber's list: ———. Memoranda: ———. Connected ———. Drop No. ——.

CONDITIONS.

The instruments and lines on the subscriber's premises shall be carefully used, and only as herein stated; all ordinary expense of maintenance and repair thereof to be borne by the Chesapeake and Potomac Telephone Company. The subscriber is to pay $10 for each telephone or transmitter destroyed otherwise than by unavoidable accident, and $25 per month in case of unauthorized removal or detention of such telephone or transmitter, until its destruction or its loss, without his fault, is satisfactorily proved; but the payment shall not confer any title to the instruments or right to use them otherwise than is provided by the conditions of this company. Upon nonpayment of any sum due or payable by the subscriber, under his subscription to such exchange, or of any use of the instruments on said premises improper or contrary to these conditions, or of any removal therefrom, or of any breach by a subscriber of any of these regulations, the said company may terminate the subscriber's right to use such instruments by twenty-four hours' written notice served on him or any occupant of the premises or set up on the premises, and sever his connection and remove the instruments; and for this purpose and for all purposes of inspection it and its servants may have access thereto.

The right of the subscriber is to use the instruments and connecting wires where

the said company may place them, under such rules as the said company may from time to time prescribe, for the purpose of the subscriber's communication with its exchange, and parties with whom the said exchange may connect him for that purpose, upon his and their business. They are not to be used for performing any part of the work of collecting, transmitting, or delivering any message in respect of which any toll or consideration has been or is to be paid to any party other than the said company (except where special arrangements have been made by the subscriber with the company or with any party previously designated by the company), nor for transmitting market quotations or news for sale, publication, or distribution, nor for calling messengers, except from the central office of said company, or performing any other service in competition with service which the said company may undertake to perform. Said telephone and transmitter instruments are the property of the American Bell Telephone Company, are constructed and used under its patents, and are leased and licensed by it only for the uses within stated, in consideration of a royalty and rental which it is to receive therefor, part of the payment named within, and which The Chesapeake and Potomac Telephone Company is authorized to collect for a period not exceeding one year in advance; but any use otherwise or without the payment of said rental or royalty is also an injury to and an invasion of the said rights of the American Bell Telephone Company, entitling it to an injunction and other legal redress in a suit in its name and behalf, and to the remedies, by taking possession of instruments and lines, and collecting rentals from the subscriber, as provided in the contract between the said company and the said The Chesapeake and Potomac Telephone Company, and which the subscriber agrees to permit and to pay.

In view of the liabilities to errors in transmitting oral messages by telephone, and the impossibility of fairly fixing the cause thereof, the subscriber assumes all the risks of errors from misconnections or mistakes upon and by any telephone line, and the officers and servants of the company owning such line in transmitting, receiving, or delivering messages; and in respect of any message which may be sent or received by or for him over any other telpehone or telegraph line, no line shall be responsible for defaults occurring on any other line, nor on its own lines, except as specified in its usual contracts, nor for any damages unless the claim therefor be presented in writing within thirty days after sending the message, and he makes the said The Chesapeake and Potomac Telephone Company and its agents, and the agents of every other line over which said message may pass, his agent to receive the same, to forward it toward destination at the rate of unrepeated messages, and for that purpose to bind him by the contracts on the usual blanks, and make the message subject to the usual limitations, rules, and regulations, to which he hereby agrees. He will reimburse the said The Chesapeake and Potomac Telephone Company for all tolls it may pay on such messages.

No instrument or appliance of any kind whatsoever not furnished by The Chesapeake and Potomac Telephone Company shall be attached to, or used in connection with the instruments furnished by the said company, without the consent, in writing, of the said company first obtained therefor; and no instrument furnished by the said company shall be used in connection with any such unauthorized instrument or appliance.

In case of the enactment of any law, or the interpretation or construction of any existing law, which, in the opinion of the said company, shall tend to materially increase the cost of maintaining wire communication between subscribers, or which shall deprive the company of the right or privilege to maintain such wire connection, or shall render it necessary to make new or different construction for the purpose of supplying the service, the company may, at its option, on giving twenty-four hours' notice of its intention to do so, remove the instruments and terminate the within contract.

All the obligations of the contract of any subscriber to the telephone exchange of this company are binding on such subscriber until the instruments shall be redelivered to the said company, or the American Bell Telephone Company, or until, being bound and requested so to do, and having an opportunity to remove the same, they shall neglect to do so.

Each subscriber to said telephone exchange shall pay to the said company the value, at the company's selling price, of each bell or combination, consisting of magneto bell, auxiliary bell, or bells, battery box, battery, cord, etc., or any part thereof, lost or destroyed on the premises of said subscriber during the continuance of this contract; and shall also pay to the company the charges for all toll messages sent through the instruments on his premises.

[Read this contract.]

Subscription to the exchange of the Chesapeake and Potomac Telephone Company.

[Rental begins ——.]

RULES AND REGULATIONS.

All contracts for telephone-exchange service furnished by the Chesapeake and Potomac Telephone Company must be made in writing, or partly in print and partly in writing, and must contain the following terms and conditions, namely:

The instruments and lines on the subscriber's premises shall be for the subscriber's use only, and carefully used, and only as herein stated; all ordinary expense of maintenance and repair thereof to be borne by The Chesapeake and Potomac Telephone Company. The subscriber is to pay $10 for each telephone or transmitter destroyed otherwise than by unavoidable accident, and $25 per month in case of unauthorized removal or detention of such telephone or transmitter, until its destruction or its loss, without his fault, is satisfactorily proved; but the payment shall not confer any title to the instruments or right to use them otherwise than is provided by the regulations of this company. In case of interruption of communication, from any cause whatever, the liability of the company therefor shall be limited to a repayment, or rebate by it, of a proportionate part of the yearly rental below named for the time such interruption shall continue after twenty-four hours' written notice to the company of such interruption. No repayment or rebate will be made for interruptions, unless such interruptions aggregate more than three days in any month, nor for those caused by the negligence or willful interference of the subscriber or of his agents or servants. The company shall not be liable for any loss or injury caused by interruption of or failure to restore communication, except in the case and to the extent above provided. The said company will remove the instruments from place to place during the continuance of this contract, within the territory covered by the lines of the exchange to which he is a subscriber, upon request and payment of the expense thereof. Upon nonpayment of any sum due, or payable, by the subscriber, under his subscription to such exchange, or of any use of the instruments on said premises improper or contrary to these regulations, or of any removal therefrom, or of any breach by a subscriber of any of these regulations, the said company may terminate the subscriber's right to use such instruments by twenty-four hours' written notice served on him or any occupant of the premises or set up on the premises, and sever his connection and remove the instruments; and for this purpose and for all purposes of inspection it and its servants may have access thereto.

The right of the subscriber is to use the instruments and connecting wires where the said company may place them, under such rules as the said company may from time to time prescribe, for the purpose of the subscriber's communication with its exchange, and parties with whom the said exchange may connect him for that purpose, upon his and their business. They are not to be used for any toll or consideration to be paid by any person other than the subscriber, nor for performing any part of the work of collecting, transmitting, or delivering any message in respect of which any toll or consideration has been or is to be paid to any party other than the said company, nor for transmitting market quotations or news for sale, publication, or distribution, nor for calling messengers, except from the central office of said company, or performing any other service in competition with service which the said company may undertake to perform. Said telephone and transmitter instruments are the property of the American Bell Telephone Company; are constructed and used under its patents, and are leased and licensed by it only for the uses above stated, in consideration of a royalty and rental which it is to receive therefor, part of the payment named below, and which The Chesapeake and Potomac Telephone Company is authorized to collect for a period not exceeding one year in advance; but any use otherwise or without the payment of said rental or royalty is also an injury to and an invasion of the said rights of the American Bell Telephone Company, entitling it to an injunction and other legal redress in a suit in its name and behalf, and to the remedies, by taking possession of instruments and lines, and collecting rentals from the subscriber, as provided in the contract between the said company and the said The Chesapeake and Potomac Telephone Company, and which the subscriber agrees to permit and to pay.

In view of the liabilities to errors in transmitting oral messages by telephone, and the impossibility of fairly fixing the cause thereof, the subscriber assumes all the risks of errors from misconnections or mistakes upon and by any telephone line, and the officers and servants of the company owning such line in transmitting, receiving or delivering messages; and in respect of any message which may be sent or received by or for him over any other telephone or telegraph line, no line shall be responsible for defaults occurring on any other line, nor on its own lines, except as specified in

its usual contracts, nor for any damages, unless the claim therefor be presented in writing within thirty days after sending the message; and he makes the said The Chesapeake and Potomac Telephone Company and its agents, and the agents of every other line over which said message may pass, his agent to receive the same, to forward it towards destination at the rate of unrepeated messages, and for that purpose to bind him by the contracts on the usual blanks, and make the message subject to the usual limitations, rules, and regulations, to which he hereby agrees. He will reimburse the said The Chesapeake and Potomac Telephone Company for all tolls it may pay on such messages.

No instrument or appliance of any kind whatsoever not furnished by the said company shall be attached to or used in connection with the instruments furnished by the said company, without the consent, in writing, of the said company first obtained therefor; and no instrument furnished by the said company shall be used in connection with any such unauthorized instrument or appliance.

In case of the passage of a law which, in the opinion of the said company, shall tend to materially increase the cost of maintaining wire communication between subscribers, the company may, at its option, terminate the contract and remove the instruments before the expiration of the term hereinafter stated.

All the obligations of the contract of any subscriber to the telephone exchange of this company are binding on such subscriber until the instruments shall be redelivered to the said company or the American Bell Telephone Company, or until, being bound and requested so to do, and having an opportunity to remove the same, they shall neglect to do so. All words herein referring to the subscriber shall be taken to be of such number and gender as the character of the subscriber may require.

Either the company or the subscriber may terminate any contract for telephone service after the expiration of the term for which it was made by giving ten days' notice in writing to the other party to such contract, but every such contract shall be deemed as continuing on the same terms after the expiration of such term unless it is terminated by such notice.

Each subscriber to said Telephone Exchange shall pay to the said company quarterly in advance, unless otherwise stipulated below, the rental or sum payable by such subscriber for the use of such instruments and connections, commencing as soon as the instruments shall be placed and connected, and also pay to the said company the value, at the company's selling price, of each bell or combination, consisting of magneto bell, auxiliary bell or bells, battery box, battery, cord, etc., or any part thereof lost or destroyed on the premises of said subscriber during the continuance of this contract, and shall also pay to the company the charges for all toll messages sent through the instruments on his premises.

The subscriber requests The Chesapeake and Potomac Telephone Company to place in the premises ——— one magneto telephone, one "solid back" battery transmitter, with necessary battery, and one magneto call bell ——— and to connect the same by means of a complete metallic circuit, consisting of two wires, with the company's exchange at Washington, D. C., for the use of the subscriber only, until the first day of ———, 189—, and thereafter until this agreement is terminated by ten days' notice in writing given by either party to the other, upon the terms and conditions stated above, which he hereby promises to keep and perform, and agrees to pay to the said company for such instruments and telephone connections at the rate of ——— dollars per annum, payable quarterly in advance, beginning as soon as the instruments shall be placed and connected.

A discount of $2.50 per quarter will be allowed upon this contract if payment be made in advance, as stipulated, at the office of the company, 619 Fourteenth street NW., Washington, D. C., within the first ten days of January, April, July, and October of each year.

This request becomes a binding contract as soon as accepted by the president of the said The Chesapeake and Potomac Telephone Company, as shown by his signature hereto. Its terms can not be varied or waived by any representations or promises of any canvasser or other person unless the same be in writing and signed by the president of said company. The subscriber hereby acknowledges the receipt of a duplicate hereof.

Signed at Washington, D. C., ———, 189—.

Name, ——— ———,
Business, ——— ———.

Accepted by the Chesapeake and Potomac Telephone Company.

——— ———, *President.*

[Read this contract.]

Subscription to the exchange of the Chesapeake and Potomac Telephone Company.

[Rental begins ——.]

RULES AND REGULATIONS.

All contracts for telephone exchange service furnished by the Chesapeake and Potomac Telephone Company must be made in writing, or partly in print and partly in writing, and must contain the following terms and conditions, namely:

The instruments and lines on the subscriber's premises shall be for the use of the subscriber and for the use of no other person, and shall be carefully used and only as herein stated; all ordinary expense of maintenance and repair thereof to be borne by the Chesapeake and Potomac Telephone Company. The subscriber is to pay $10 for each telephone or transmitter destroyed otherwise than by unavoidable accident, and $25 per month in case of unauthorized removal or detention of such telephone or transmitter until its destruction or its loss, without his fault, is satisfactorily proved; but the payment shall not confer any title to the instruments or right to use them otherwise than is provided by the regulations of this company. In case of interruption of communication, from any cause whatever, the liability of the company therefor shall be limited to a repayment or rebate by it of a proportionate part of the yearly rental below named for the time such interruption shall continue after twenty-four hours' written notice to the company of such interruption. No repayment or rebate will be made for interruptions unless such interruptions aggregate more than three days in any month, nor for those caused by the negligence or willful interference of the subscriber or of his agents or servants. The company shall not be liable for any loss or injury caused by interruption of, or failure to restore communication, except in the case and to the extent above provided. The said company will remove the instruments from the location designated below to any accessible place within ——— miles of the exchange of the said company during the continuance of this contract, within the territory covered by the lines of the exchange to which he is a subscriber upon request and payment of the expense thereof. Upon nonpayment of any sum due or payable by the subscriber under his subscription to such exchange, or of any use of the instruments on said premises improper or contrary to these regulations, or of any removal therefrom, or of any breach by a subscriber of any of these regulations, the said company may terminate the subscriber's right to use such instruments by twenty-four hours' written notice served on him or any occupant of the premises or set up on the premises, and sever his connection and remove the instruments; and for this purpose and for all purposes of inspection it and its servants may have access thereto.

The right of the subscriber is to use the instruments and connecting wires where the said company may place them, under such rules as the said company may from time to time prescribe, for the purpose of the subscriber's communication with its exchange, and parties with whom the said exchange may connect him for that purpose, upon his and their business. They are not to be used for any toll or consideration to be paid by any person other than the subscriber, nor for performing any part of the work of collecting, transmitting, or delivering any message in respect of which any toll or consideration has been or is to be paid to any party other than the said company, nor for transmitting market quotations or news for sale, publication, or distribution, nor for calling messengers, except from the central office of said company, or performing any other service in competition with service which the said company may undertake to perform. Said telephone and transmitter instruments are the property of the American Bell Telephone Company, are constructed and used under its patents, and are leased and licensed by it only for the uses above stated, in consideration of a royalty and rental which it is to receive therefor, part of the payment named below, and which The Chesapeake and Potomac Telephone Company is authorized to collect for a period not exceeding one year in advance; but any use otherwise or without the payment of said rental or royalty is also an injury to and an invasion of the said rights of the American Bell Telephone Company, entitling it to an injunction and other legal redress in a suit in its name and behalf, and to the remedies, by taking possession of instruments and lines, and collecting rentals from the subscriber, as provided in the contract between the said company and the said the Chesapeake and Potomac Telephone Company, and which the subscriber agrees to permit and to pay.

In view of the liabilities to errors in transmitting oral messages by telephone and the impossibility of fairly fixing the cause thereof, the subscriber assumes all the risks of errors from misconnections or mistakes upon and by any telephone line, and the officers and servants of the company owning such line, in transmitting, receiving, or delivering messages; and in respect of any message which may be sent or received by or for him over any other telephone or telegraph line no line shall be

responsible for defaults occurring on any other line, nor on its own lines, except as specified in its usual contracts, nor for any damages, unless the claim therefor be presented in writing within thirty days after sending the message, and he makes the said The Chesapeake and Potomac Telephone Company and its agents, and the agents of every other line over which said message may pass, his agent to receive the same to forward it toward destination at the rate of unrepeated messages, and for that purpose to bind him by the contracts on the usual blanks and make the message subject to the usual limitations, rules, and regulations, to which he hereby agrees. He will reimburse the said The Chesapeake and Potomac Telephone Company for all tolls it may pay on such messages.

No instrument or appliance of any kind whatsoever not furnished by the said company shall be attached to or used in connection with the instruments furnished by the said company without the consent, in writing, of the said company first obtained therefor; and no instrument furnished by the said company shall be used in connection with any such unauthorized instrument or appliance.

In case of the enactment of any law, or the interpretation or construction of any existing law, which, in the opinion of the said company, shall tend to materially increase the cost of maintaining wire communication between subscribers, or which shall deprive the company of the right or privilege to maintain such wire connection, or shall render it necessary to make new or different construction for the purpose of supplying the service, the company may, at its option, on giving twenty-four hours' notice of its intention to do so, remove the instruments and terminate the contract.

All the obligations of the contract of any subscriber to the telephone exchange of this company are binding on such subscriber until the instruments shall be redelivered to the said company, or the American Bell Telephone Company, or until, being bound and requested so to do, and having an opportunity to remove the same, they shall neglect to do so. All words herein referring to the subscriber shall be taken to be of such number and gender as the character of the subscriber may require.

Either the company or the subscriber may terminate any contract for telephone service after the expiration of the term for which it was made by giving ten days' notice in writing to the other party to such contract, but every such contract shall be deemed as continuing on the same terms, after the expiration of such term, unless it is terminated by such notice.

Each subscriber to said telephone exchange shall pay to the said company quarterly, in advance, unless otherwise stipulated below, the rental or sum payable by such subscriber for the use of such instruments and connections, commencing as soon as the instruments shall be placed and connected, and also pay to the said company the value, at the company's selling price, of each bell or combination, consisting of magneto bell, auxiliary bell or bells, battery box, battery, cord, etc., or any part thereof, lost or destroyed on the premises of said subscriber during the continuance of this contract, and shall also pay to the company the charges for all toll messages sent through the instruments on his premises.

The subscriber requests The Chesapeake and Potomac Telephone Company to place in the premises ——— ——— one telephone, one transmitter, and one magneto bell, and to connect the same by means of grounded —— wire with the company's exchange at Washington, D. C., for the subscriber's use only, until the 1st day of —— 189—, and thereafter until this agreement is terminated by ten days' notice in writing given by either party to the other, upon the terms and conditions stated above, which he hereby promises to keep and perform, and agrees to pay to the said company for such instruments and telephone connections at the rate of —— dollars per annum, payable quarterly, in advance, beginning as soon as the instruments shall be placed and connected.

A discount of $2.50 per quarter will be allowed upon this contract if payment be made in advance as stipulated, at the office of the company, 619 Fourteenth street NW., Washington, D. C., within the first ten days of January, April, July, and October of each year.

This request becomes a binding contract as soon as accepted by the president of the said The Chesapeake and Potomac Telephone Company, as shown by his signature hereto. Its terms can not be varied or waived by any representations or promises of any canvasser or other person, unless the same be in writing and signed by the president of said company. The subscriber hereby acknowledges the receipt of a duplicate hereof.

Signed at Washington, D. C., ———, 189—.

Name, ——— ———,
Business, ———.

Accepted by The Chesapeake and Potomac Telephone Company.

——— ———, *President.*

Salaries.

	President and general manager.	Secretary and treasurer.	Secretary and purchasing agent.
1884	$3,500		
1885	3,500	$1,500	
1886	5,000	2,000	
1887	6,500	2,500	
1888	6,500	2,500	
1889	6,500	2,500	
1890	7,250	2,500	
1891	8,000	2,500	
1892	8,000	2,500	
1893	8,000	2,500	
1894	8,000	3,000	$1,800
1895	8,000	3,000	1,800
1896	8,000	3,000	2,100
1897	8,000	3,000	2,100
	94,750	33,000	7,800

Total paid, $135,550.

Paid directors.

[1884 to 1892 no fees paid.]

1892	$210.00	1896	$500.00
1893	410.00	1897	715.00
1894	650.00		
1895	660.00	Total	3,235.00

Officers of the Chesapeake and Potomac Telephone Company, and residences of same.

Name.	Position.	Address.
Samuel M. Bryan	President and general manager	Washington, D. C.
Charles G. Beebe	Treasurer	Do.
Horace W. Upperman	Secretary	Do.

Directors of the Chesapeake and Potomac Telephone Company, and residences of same.

Name.	Address.	Name.	Address.
Samuel M. Bryan	Washington, D. C.	J. H. Cahill	New York City.
C. J. Bell	Do.	D. B. Parker	Randolph, N. Y.
H. S. Cummings	Do.	J. E. Hudson	Boston, Mass.
J. M. Brown	Do.	C. Jay French	Do.
H. A. Willard	Do.		

Purchases made of the Western Electric Company during 1897.

January.	Cross arms, cable, cross-arm braces, battery material, and sundries	$2,584.31
February.	Battery material, bridging bells, cross arms, No. 12 protectors, and sundries	1,673.08
March.	Switch board, No. 12 protectors, bridging bells, cable, booths, floor battery boxes, battery material, insulators, copper wire, and sundries	5,953.77
April.	Insulators, switch board, copper wire, battery material, bridging bells, cross arms, and sundries	4,888.47
May.	Insulators, hand generators, bridging bells, bell parts, copper wire, guy wire, cross arms, cable, cross-arm braces, shutters for drops, repeating coils, backboards, battery material, spring jacks, common battery sets, and sundries	12,514.71

June.	Cable, guy wire, common battery sets, No. 12 protectors, backboards, copper wire, repeating coils, fuse strips, and sundries	$4,628.78
July.	Battery material. desk stands, insulators, backboards, telephone cords, bridging auxiliary bells, guy clamps, guy rods, listening keys, ringing keys, office wire, heating coils, No. 12 protectors, cross arms, guy wire, and sundries	1,883.54
August.	No. 12 protectors, hand telephone cords, guy wire, repeating coils, machine bolts, switch-board cable, guy clamps, terminal strips, bridging auxiliary bells, floor battery boxes, extension cords, nickel-plated stands, copper wire, dummy backboards, cable, generator cases, battery material, cross-arm braces, insulators, and sundries	13,854.40
September.	Cable clips, cross-arm braces, hard-rubber tubing, battery material, hand telephone cords, floor battery boxes, lag screws, guy rods, guy clamps, copper wire, No. 12 protectors, switchboard, Plante battery, switchboard cable, nickel-plated stands, machine bolts, insulators, underground cable, condensors, cross arms, bridging bells, and sundries	8,175.03
October.	B. W. C. equipment, No. 12 protectors, bridging auxiliary bells, guy wire, underground cable, condensers, guy clamps, fuse strips, arresters, office wire, battery material, bridging bells, insulators, copper wire, cross arms, and sundries	6,541.83
November.	Bridging bells, No. 3 protectors, copper wire, switchboard cords, No. 12 protectors, battery material, insulators, guy wire, guy clamps, backboards, aerial cable, cross arms, cross-arm braces, desk stands, cords, and sundries	8,848.88
December.	Fuse strips, office wire, switchboard cable, hand telephone cords, parts for No. 2 protectors, battery material, guy clamps, and sundries	1,139.36
	Total	72,686.16

Miscellaneous purchases during the year 1897.

Name.	Address.	Articles.	Amount.
J. Orville Johnson	Washington, D. C.	Photographs	$15.00
W. Roy Mitchell	do	Bicycle sundries	10.00
D. W. Beveridge	do	Wire screens	25.00
A. Richards Brick Co	do	Bricks	9.00
A. M. Baer	do	Leather gloves	6.00
Washington Granite Monumental Company.	do	Marble, etc	266.79
Wm. J. Zeh	do	Coal	14.25
Maurice Joyce Engraving Co.	do	Dies	10.00
W. H. Stalee	do	Photographs	19.50
Ben Flete	do	Broken brick	12.60
J. Briscoe	do	do	41.85
Isabella Johnson	do	do	9.45
J. Randolph	do	do	57.90
Palais Royal	do	Dry goods	5.64
Orndorff & Truxton	do	Water barrels	14.00
W. H. West & Bro	do	Bricks	6.00
Julia Smith	do	Broken bricks	13.95
Henderson Smith	do	do	16.15
Chas. Clayborn	do	do	14.80
Richard Green	do	do	5.60
Phillip Smith	do	do	6.80
T. W. Smith	do	Lumber	84.44
D. A. Brown	do	Broken bricks	5.20
M. Jackson	do	do	6.00
George Johnson	do	do	6.80
W. White	do	do	5.20
M. O. Stabler	do	Poles	12.00
E. Morrison Paper Co	do	Stationery	94.16
Wyckoff, Seamans & Benedict.	do	Typewriter supplies	13.46
Allegheny Coal Co	do	Coal	142.80
Carl Petersen	do	Clocks	16.75
Hygienic Ice Co	do	Ice	114.30
Woodard & Lothrop	do	Dry goods	54.97
C. C. Bryan	do	Groceries	43.77
Easton & Rupp	do	Stationery	51.60
Johnson Bros	do	Coal	116.90
J. W. Magarity	do	Poles	463.00
A. E. Acker	do	Chemicals	164.43

Miscellaneous purchases during the year 1897—Continued.

Name.	Address.	Articles.	Amount.
W. T. Galliher & Bro	Washington, D. C	Lumber	$212.44
J. B. Lord	do	Sand	480.00
J. H. Magruder	do	Groceries	24.72
John C. Parker	do	Stationery	101.80
H. W. Kenner	do	Chemicals	173.00
Jas. H. McGill	do	Cement	770.54
Washington Hydraulic Press Brick Co.	do	Bricks	594.04
Caleb Stabler	do	Poles	317.00
Newman & Sons	do	Typewriter supplies	35.65
M. W. Beveridge	do	Household sundries	17.73
Goodyear Rubber Co	do	Rubber, etc	8.00
B. F. Joy	do	Poles	897.75
J. K. Probey	do	Dayton harness	143.81
H. Taylor	do	Broken brick	35.10
Geo. F. Muth & Co	do	Paints, etc	19.15
R. P. Andrews & Co	do	Stationery	12.75
Eclipse Bicycle Co	do	Bicycles and sundries	155.75
Forsberg & Murray	do	Elevator and sundries	18.10
John R. Galloway	do	Wire and sundries	8.80
Gormully & Jeffery Manufacturing Co.	do	Bicycles and sundries	190.25
D. Hughes & Bro	do	Irons	11.10
J. T. Henshaw	do	Tinware	8.35
Chas. Heitmuller	do	Reels, clips, etc	230.80
Jas. B. Lambie	do	Hardware	49.64
W. B. Moses	do	Furniture	40.00
F. B. Nichols	do	Stationery	156.00
National Publishing Co	do	List and printing	1,382.00
Potomac Terra Cotta Co	do	Duct, etc	2,280.02
W. F. Roberts	do	Printing	500.00
Royce & Marean	do	Electrical sundries	125.00
Hugh Reilly	do	Paints, etc	521.38
John Schultzback & Sons	do	Electrical sundries	114.55
Thos. Somerville & Sons	do	Plumber's supplies	79.00
F. A. Schmidt	do	Draftsmen's supplies	90.19
United States Electric Light Co	do	Electric lamps	8.40
W. M. Whyte & Bro	do	Sheet iron	41.25
Wm. Walters' Sons	do	Iron	12.00
H. A. Jones & Co	do	Cement	32.90
National Mortar Co	do	Sand, gravel, etc	33.00
E. E. Jackson & Co	do	Battery cases and lumber	132.65
C. E. Hodgkins	do	Paint, etc	48.44
Parker, Bridget & Co	do	Uniforms	28.20
South Bend Construction Co	do	Lumber	9.26
V. Baldwin Johnson	do	Coal	11.50
Home Ice Co	do	do	98.25
W. H. Hoeke	do	Linoleum	5.00
Hartman & Cadick	do	Printing	5.00
J. P. Agnew & Co	do	Coal	7.50
Otis Bros. & Co	do	Elevator supplies	15.90
Boyd Directory Co	do	Directory	10.00
W. W. Tuckey	do	Decorating and painting	58.00
John King	do	Leather	5.00
Jackson & Co	do	Household sundries	9.00
S. Turner	do	Broken brick	19.80
W. H. Lewis	do	Boiler compound	10.80
G. G. Cornwell & Sons	do	Groceries	58.88
W. H. Douglass	do	Fire extinguishers	100.00
W. A. Kendrick	do	Damper regulator	75.00
Belt & Dyer	do	Lumber and cable boxes	373.06
Barber & Ross	do	Hardware, etc	1,089.53
Conrad Becker	do	Leather, harness	50.55
Cline Bros	do	Bicycle sundries	18.25
Carter & Clarke	do	Poles	4,290.45
M. Du Perow	do	Wire and electrical sundries	327.90
Jas. T. Armstrong & Co	Baltimore, Md	Iron and sundries	2,208.15
Ashman	do	Photographs	5.75
J. W. Bond Co	do	Stationery	229.32
Hugh Bolton & Co	do	Paints, etc	126.28
John Brown & Sons	do	Hardware	510.80
Burns Russell & Co	do	Bricks	74.38
The B. C. Bibb Stove Co	do	Registers	6.40
Baltimore Enamel Co	do	Signs	169.40
John Bullock & Sons	do	Cement	15.25
Clendenin Bros	do	Blue vitriol	80.10
Caldwell & Co	do	Electric lamps	13.02
Consumers' Ice Co	do	Ice	50.78
Cochran-Oler Ice Co	do	do	48.79
Commercial Printing House	do	Printing	32.62
Campbell & Zell Co	do	Manhole, castings, etc	1,363.13

Miscellaneous purchases during the year 1897—Continued.

Name.	Address.	Articles.	Amount.
Otto Duker & Co	Baltimore, Md	Switchboards, lumber, etc	$273.65
J. F. W. Dorman Co	do	Dies and stamps	194.07
J. N. Du Barry & Co	do	Cement	20.40
Emmart & Quartley	do	Painting and decorating	119.79
Fairbanks Co	do	Scales	22.00
Friedenwald Co	do	Printing	536.49
Joel Gutman & Co	do	Dry goods	38.33
Gibson & Dirk	do	Keys, etc	7.10
A. Hoen & Co	do	Lithographers	13.00
Hoskins Lumber Co	do	Poles and pins	1,637.45
Heise, Bruns & Co	do	Lumber	73.45
India Alkali Works	do		24.57
Kipper, Webster & Co	do	Furniture	41.50
Kohn & Pollock	do	Stationery	21.66
Muth Bros. & Co	do	Chemicals	6.17
Metzel & Sons	do	Stationery	17.73
McCay-Howard Engineering Co.	do	Electrical sundries	132.71
New York Belting and Packing Co.	do	Rubber goods	62.25
National Supply Co	do	Elevator rope	20.80
Office Specialty Manufacturing Co.	do	File cases	24.00
J. W. Putts	do	Household sundries	46.23
Patapsco Oil and Grease Co	do	Cylinder oils	15.00
Puritan Printing and Publishing Co.	do	Printing	86.18
E. Packham, jr., & Co	do	Corks	12.00
C. B. Royston	do	Stationery	14.75
J. Regester & Sons	do	Brass and iron supplies	76.28
Rennons & Kleink & Co	do	Paints and leather	15.03
Henry Deim & Co	do	Glassware	22.93
Southern Electric Co	do	Electrical sundries	240.87
A. Schultz & Co	do	Plumber supplies	6.93
John G. Schivind	do	Crushed stone	10.20
Storck & Co	do	Lumber	186.57
Wallace Stebbins	do	Plumbing supplies	15.50
John H. Short	do	Lumber	99.29
Alonzo L. Thomson	do	Chemicals	115.58
J. J. Thomsen's Sons	do	do	424.62
Geo. P. Thomas, jr	do	Rubber, etc	29.58
Vaile & Young	do	Ornamental iron	23.55
Wykoff, Seamans & Benedict	do	Typewriter supplies	19.55
E. A. & B. M. Watts	do	Coal	469.00
F. Weber & Co	do	Draftsman's supplies	53.53
Frank Weber	do	Groceries	21.50
Williams & Wilkins Co	do	Stationery	19.00
Zamoiski Palmer Electric Co	do	Electrical supplies	31.45
E. E. Rictor	do	Stationery	15.60
Frank Fallon	do	Sand	8.80
Mayor and city council	do	Maps	19.00
D. T. Busby & Co	do	Soap	8.00
Columbia Paper Bag Co	do	Bags	5.00
Sam'l Hunt's Sons	do	Leather bags	12.00
M. T. Slee	do	Bicycle sundries	15.25
Stidman & Co	do	Wire works	26.00
Luche Bros. & Co	do	Leather	5.00
Snowdan & Cowdan Manufacturing Co.	do	Dumb waiter	47.00
Guggenheimer, Weil & Co	do	Stationery	5.00
W. H. Whiting & Co	do	Elevator rope	8.78
A. Stineman	do	Clock	6.50
Paul & Falconer Co	do	Stationery	35.00
Henry W. Lord	do	Boiler compound	11.70
Wm. H. Johnson	do	Marble	10.00
John Adams	Hagerstown, Md	Bread	34.21
Barnhart & Elliott	do	Household sundries	26.31
Barnett & Byers	do	Camp provisions	55.48
A. K. Bare	do	do	39.03
Frank T. Elliott	do	do	43.53
E. C. Fiery	do	do	9.21
John Gassman	do	do	20.76
Hagerstown Ice Co	do	Ice	9.05
Knode & Sleigh	do	Camp provisions	47.93
E. S. & E. W. Miller	do	Groceries, etc	34.62
S. S. Souffer	do	Poles	2,576.50
L. H. Wiebel	do	Locust pins	202.41
J. C. Dayhoff	do	Lumber	9.00
Embrey Coal Co	do	Coal	5.75
W. P. Towson	do	do	5.75
Samuel Emmert	do	Hardware and dynamite	296.33
Beck & Delamartes	do	Lumber	11.85

Miscellaneous purchases during the year 1897—Continued.

Name.	Address.	Articles.	Amount.
C. S. Hunter & Bro	Hagerstown, Md	Plumbing supplies	$36.53
E. S. Brannett & Son	do	Furniture	70.50
A. P. Conner	do	Hardware	21.65
Danzer Lumber Co	do	Lumber	51.11
W. M. Updegraff	do	Camp provisions	23.78
Holtzman & Troup	do	Wagon sundries	39.00
Geo. Londenslager	do	Stone	13.38
Gilmore Seville	do	Camp provisions	6.84
V. Cushwa & Son	do	Cement and sand	8.51
Jacob Roessner	do	Bread	27.76
Jas. Hoopengardner	do	Camp provisions	8.00
Wm. Elbin	do	do	11.71
Geo. Updegraff	do	Household supplies	15.50
Bovey & Munson	do	Furniture	61.50
Hagerstown Woven Wire Works.	do	Cots	41.40
Jacob Lyons	do	Household sundries	6.90
D. M. Scheller	do	Camp provisions	5.75
H. E. Swavely	do	do	19.83
Steffey & Findlay	do	do	35.91
Conner & Hoffman	do	Hardware	40.64
Board of Street Commissioners.	do	Broken brick	17.25
Harry Bloom	do	Horse	40.00
Cumberland Ice Manufacturing Co.	Cumberland, Md	Ice	15.95
Louis Weber	do	Poles	24.50
A. D. Dadew	do	Hardware	8.85
Chas. W. Frantz	do	Poles	35.00
Peter E. Wright	do	Eggs	6.00
Henry Wilson	do	Bread	6.00
P. H. Daughtrey Co	do	Camp provisions	19.47
City Provision Co	do	do	81.90
Geo. D. Landwehr	do	Lumber	16.43
Cumberland Steel and Tin Plate Co.	do	Digging bars	21.78
Cumberland Hardware Co	do	Hardware	5.55
F. X. Millman	do	Plants, flowers, etc	17.00
M. Crawford	do	Camp provisions	151.71
Bridges & Henderson	Hancock, Md	Dynamite	18.40
E. P. Cohill	do	Camp provisions	236.04
Chas. Cunningham	do	do	88.46
W. S. Miller & Co	Frederick, Md	Coal	12.00
Keller, Newman & Co	do	do	9.00
L. S. Clingman	do	Harness	7.50
Eaton & Neighbors	do	Poles	55.00
D. C. Winebrenner	do	Dynamite	6.00
R. M. Neighbors	do	Poles	73.25
N. J. Wilson & Sons	do	Solder	7.13
Chas. N. Hahn	do	Stoves, etc	40.25
Frederick City Packing Co	do	Camp provisions	56.05
Smith & Reifsneider	Westminster, Md	Coal	8.00
Bennett & Co	do	do	5.68
Theo. Englar	do	Poles	15.00
Seneindwert & Stewart	Martinsburg, W. Va	Coal	5.50
Derby Desk Co	New York, N. Y	Furniture	12.00
E. P. Gleason Manufacturing Co.	do	Battery connectors	24.85
Mosler Safe Co	do	Safe	200.00
J. W. Russell	do	Signs	10.90
Manhattan Rubber Co	do	Rubber	9.00
American Telegraph and Telephone Co.	do	Cabinets	1,120.40
American Railway Supply Co.	do	Locks	65.63
Jas. S. Barron & Co	do	Tools	77.40
H. C. Davison	do	Copy books	36.00
Leclanche Battery Co	do	Battery material	2,773.20
N. Y. Ins. Wire Co	do	Wire	353.94
Okonite Co	do	do	2,450.00
Stanley & Patterson	do	Tools	42.33
Rhode Island Telephone and Electric Co.	Providence, R. I	Cable clips	86.26
American Electric Works	do	Wire	95.53
R. A. Humphreys	Philadelphia, Pa	Tents	168.43
Electric Storage Battery Co	do	Battery material	42.22
Chicago Telephone Co	Chicago, Ill	Cabinet	21.15
Electrical Engineering Co	do	Pamphlets	45.50
Oshkosh Logging Co	Oshkosh, Wis	Tools	7.00
W. S. Seaman & Co	Milwaukee, Wis	Cabinets	3,550.05
Chas. S. Jenkins	Landsdale, Pa	Map roller	50.00
American Bell Telephone Co.	Boston, Mass	Telephone parts	33.30

Miscellaneous purchases during the year 1897—Continued.

Name.	Address.	Articles.	Amount.
J. S. Blackmer & Co	Boston, Mass	Signs	$96.45
Scovill Manufacturing Co	Waterbury, Conn	Tokens	95.00
National Carbon Co	Cleveland, Ohio	Carbons	12.00
C. H. Brownell	Peru, Ind	Booths	846.25
Gray Telephone Pay Station Co.	Hartford, Conn	Automatic pay stations	5,436.00
General Electric Co	Schenectady, N. Y	Electric lamps	80.00
Henningray Glass Co	Covington, Ky	Glass insulators	70.00
McIntire Co	Newark, N. J	Connectors	1,774.75
Western Electric Inst. Co	do	Ammeter	61.75
Washburn & Moen Manufacturing Co.	Worcester, Mass	Wire	556.26
Warren Webster & Co	Camden, N. J	Heating systems	455.88
Miscellaneous			220.40
Total			60,466.95

Revenue.

	Exchange service.	Tolls.	Private lines.	Messenger receipts.
1891	$360,973.71	$8,888.21	$29,995.16	$153.40
1892	381,634.18	6,218.72	33,502.34	177.95
1893	401,555.74	9,823.85	37,210.41	163.40
1894	413,766.04	11,805.07	23,886.63	176.29
1895	436,530.88	15,627.57	17,668.92	502.72
1896	453,018.41	17,304.32	16,243.90	689.77
1897	471,430.18	20,773.38	16,933.61	774.32
Total	2,924,909.14	90,441.12	175,440.97	2,637.85

	Real estate revenue.	Dividends and interest.	Miscellaneous.	Total.
1891	$7,685.84		$5,245.80	$418,942.12
1892	6,998.82		12,092.71	440,624.72
1893	7,377.50	$248.95	8,750.62	465,130.47
1894	5,507.54	2,921.29	5,871.78	463,934.64
1895	9,096.00	3,333.92	7,513.31	490,273.32
1896	9,216.20	4,110.11	7,634.97	508,217.68
1897	9,416.84	2,239.46	9,904.09	531,471.88
Total	55,298.74	12,853.73	57,013.28	3,318,594.83

Expenses.

	General expense.	Operating.	Maintenance.	Rental and royalty.	Private line expense.
1891	$67,152.66	$41,509.13	$81,945.56	$74,478.14	
1892	60,364.96	39,854.28	122,426.55	73,576.93	$742.66
1893	65,503.25	41,507.28	125,178.98	78,958.82	601.77
1894	81,968.15	42,244.84	139,600.00	56,021.23	315.59
1895	61,789.00	60,912.42	175,687.17	39,524.93	624.69
1896	80,589.02	61,665.75	180,000.00	40,251.35	375.50
1897	81,179.59	62,258.00	190,646.87	42,185.70	162.70
Total	498,546.63	349,951.70	1,015,485.13	404,997.10	2,822.91

	Messenger expense.	Real estate expense.	Interest.	Total.
1891	$913.15	$3,808.02	$32,830.62	$302,637.28
1892	858.78	3,920.66	31,957.02	333,701.84
1893	894.96	4,604.82	30,713.02	347,962.90
1894	920.43	5,111.59	28,122.48	354,304.31
1895	1,164.27	4,595.40	25,550.91	369,848.79
1896	1,309.82	6,323.24	22,687.72	393,202.40
1897	1,217.38	5,460.83	23,778.82	406,889.39
Total	7,278.79	33,824.06	195,640.59	2,508,546.91

By the CHAIRMAN:

Q. In response to inquiry No. 5 you say:

I beg to state that the actual value of the plant and other physical property, real and personal, taken over by the Chesapeake and Potomac Telephone Company at the time of said reorganization or merger was $168,465.14, consisting of a plant the actual cost of which was $91,130.21 and materials, supplies, cash, and accounts amounting to $77,334.93, without taking into account any expenditures for franchises, licenses, rights of way, or organization expenses.

What portion of this $77,334.93 was accounts? I suppose those were accounts due you from your subscribers?—A. Accounts due us, yes, sir; accounts receivable.

Q. From the subscribers of the old company?—A. Yes, sir.

Q. Are you able to state what that amount was?—A. I am not; I could have put it in there just as well as not. The accountants have it and we can give it.

Q. Now, what do you say as to that request, if you please? What do you say as to this No. 6 inquiry in the letter of February 28?—A. What does that relate to?

The CHAIRMAN. What I just read: "What were the gross receipts of the Chesapeake and Potomac Telephone Company for business done in the District of Columbia during the calendar year 1897, and what were the total expenses of the company for the same period incidental to its business in the District of Columbia?"—A. That has been submitted.

Mr. PITNEY. That is included in these two statements—revenue and expenses?—A. Yes, sir.

Q. What portion of this $168,465.14 is in the capital of the company at the present time?—A. I could get at that.

Q. That is one of the things you propose to furnish?—A. I do not know that I exactly understand what it meant.

Q. You say here that the value of the plant and other physical property, real and personal, taken over by the Chesapeake and Potomac Telephone Company at the time of said reorganization or merger was $168,465.14, consisting of a plant, the actual cost of which was $91,130.21, and materials, supplies, cash, and accounts amounting to $77,334.93?—A. Yes, sir.

Q. Now, what I want to know, and what I think the committee want to know, is, what portion of that sum is represented in the capital of the company?—A. That sum would all be represented.

Q. The whole sum? The accounts here counted, cash, supplies, materials, etc., represented by the capital?—A. I suppose that will be the case. I would rather have an expert accountant's opinion on that.

Q. No; it is not a matter of an expert accountant at all. It is a matter of fact. Does this sum, this total of $168,465.14, go into the capital of the company, and is it represented by the capital of the company? It is not a question for an expert at all; it is a question of fact.—A. The details of what was done at that particular time, except as they appear on the book, I have no personal knowledge of.

Q. Then you say you do not know?—A. That is it.

Q. Will you please, if you can, inform yourself and let us know?

By Mr. DOCKERY:

Q. In other words, was stock issued to the extent of $168,465?

The CHAIRMAN. That is the same thing. We want to know what part of this $168,465.14 was capitalized in the stock of the company, and stands there represented by capital.

Mr. PITNEY. And how much capital was represented by it.

The CHAIRMAN. Precisely so; that is what we want to know. And if you will make a minute without our formulating an inquiry on that point, because you can see in looking into this matter we must be furnished this data or we are left in the dark—one or the other. We have not any suitable ground on which to form a conclusion. And as to No. 6 I judge that is in the letter of the 9th, where it speaks of No. 6 [referring to letter]. I understand now from your reply what you have undertaken to respond to.—A. May I ask if this is your question:

What part of the $168,000 is represented in the present capital of the company?

The CHAIRMAN. That is it.

Mr. DOCKERY. Then I thought by asking the additional question, as to how much capital was given over to that, it would make the question complete.

The CHAIRMAN. That would be the same thing, would it not? The question is how much of that sum. If the whole of it was represented by capital, then we can form our own conclusion; we have the data, and stock has been issued for it. If a certain part only was, then stock has been issued for that much.

Mr. HEMPHILL. Suppose they issued $100,000 or $300,000. You want to know how much capital was issued for the amount of assets?

The CHAIRMAN. Certainly; we did not suppose they would issue $2 for one.

Mr. HEMPHILL. You are not an organizer.

The CHAIRMAN. I am not. Certainly, we want to know what stock was issued for it. I was taking it for granted there would be an amount of stock equal to the amount represented, and the question was whether it was all represented by stock, or whether that part which pertained really to the plant should properly be represented by stock.

Mr. DOCKERY. A balance sheet showing the exact condition of your company, say, on the 1st of January last, would be classified under the head of "Resources and liabilities," would it not?—A. Yes, sir.

Q. Now, then, among the liabilities would be the capital stock?—A. Yes, sir.

Q. What I would like is a summarized statement showing the amount of capital stock issued and on what account. To illustrate: Suppose that you have $50,000 of capital stock; $10,000 of that might be represented possibly by property that was included in this reorganization; $40,000 might have been represented by stock that was absolutely sold and for which money was received. In other words, I want to know the amount of capital stock and on what account, whether any stock was issued for which no cash was paid. Then among the liabilities the receipts might be named, would they not?—A. We never put receipts in liabilities.

Q. The income?—A. The only liability in the way of receipts would be if we receive any money in advance of the time it is earned.

Q. I did not understand that.—A. If we receive any money in advance of the date of its being earned, we put that in liabilities, because it comes under the head of "Unearned rentals."

Q. The income derived from the rentals of these telephones is a resource in a statement of this sort; it is a liability, is it not?—A. It is not put in the balance sheet. We never put an income in the balance sheet.

Q. What I would like to know is the exact condition of your company, say, on the 1st of January, 1898, as shown by an exhibit which

would state its resources and its liabilities. It is liable for its capital stock?—A. Yes, sir.

Q. And it is liable to the extent of the income it has derived during the year?—A. The income is never put in a balance sheet, to my knowledge.

Q. Where does that appear?—A. It would appear in the proper place on the books, but not in a balance sheet, because the balance sheet shows the result of business, and the income is something out of which you develop results.

Mr. PITNEY. The income, so far as it has not been expended, would be in the bank, and that would be among the resources?—A. Yes, sir; but it is not called income. Income received goes to swell the resources, and the net result appears on the proper side of the balance sheet.

By Mr. DOCKERY:

Q. On which do your dividends appear?—A. The dividends would not appear on the balance sheet showing the condition of the company.

The CHAIRMAN. You mean in the yearly balance sheet?

Mr. DOCKERY:

Q. Dividends would not appear in the balance sheet—dividends undistributed?—A. Yes; but if the balance sheet had been closed—the dividend when it is paid finishes that transaction.

Q. Now, what do you claim as liabilities under the general head?—A. I can not offhand name those things, but I should be very glad to inform you about it.

Q. Can you name offhand what you class as resources?—A. I do not know that I could name those offhand, and I would rather not speak of that so long as the items which go to make up the balance sheet are obtainable at such short notice.

Q. Will you give to the committee a statement of the resources and liabilities of this company on the 1st of January?

The WITNESS. Do you make that as a request of the committee?

Mr. DOCKERY. Yes, sir.

Mr. PITNEY. I join in that request.

Mr. HEMPHILL. I would suggest, also, that the committee ask Mr. Bryan for this information: How much of this stock was paid for in cash and how much was paid for by the assets of prior companies?

Mr. DOCKERY. That is what I was trying to get at.

Mr. HEMPHILL. If I understand the report to the Maryland legislature, there was only about $34,000 received in actual cash by stock that was sold to anybody.

Mr. PITNEY. We have already submitted a verbal request to Mr. Bryan.

The WITNESS. I would be very glad if the committee would understand that I am not trying to withhold anything at all; but the propositions that are made from to time are piling up the work of separation, and if these inquiries are to be added to every day, while I am willing to answer them, I want the time to do it. I have strained every nerve to get the information so far as I have submitted it, working my force until 11 o'clock every night, and I would like to have a little let-up on that. But I want to give all the information that is required.

Mr. PITNEY. Do you use the double-entry system of bookkeeping?—A. Yes, sir.

Q. Then your books show, do they not, under the head, for instance, "General expenses," the aggregate of all the general expenses from

the beginning of the company to the present time?—A. Yes; that might not be all in one book; we can not get a book big enough.

Q. But a balance of general expenses account shows the aggregate of general expenses from the beginning of the company to the present time?—A. The general expense is closed every year, and it is profit and loss.

Q. Then it will show the general expenses for the current year added to the balance brought forward from the previous year?—A. The general expenses are not brought forward from one year to another. They are closed at the end of a year.

Q. If you take the balance sheet at any time within the year it will show under the head of "Resources" the amount paid out at the beginning of the year for general expense and the other several items which you have just exhibited, will it not?—A. A balance sheet, as I understand it, is to show the condition of the company at the time that balance sheet is made or dated. On the 31st of December, 1897, for example, it would show the condition of the company, and not the processes by which that condition was arrived at.

Q. If you answer my question it will get pretty close to what I am getting at, although it may not get so close to what you are getting at. You make up an annual balance sheet, do you?—A. Yes, sir.

Q. And you include resources on one side of the sheet?—A. Yes, sir.

Q. Are those resources made up after an inventory of the property of the company?—A. They are made up from the books, whatever the books show, and the books are supposed to record every business transaction of the company.

Q. But suppose you buy a lot of property which on the 1st of January is worth less than what you paid for it. How does it show?—A. We can not follow the fluctuations of the market; it is impossible to do that; the matter will balance itself up in time.

Q. Do you never charge anything off for deterioration of property?—A. We do, decidedly.

Q. Very well. How would you charge it off?—A. If a piece of property becomes unserviceable we charge it off from the account to which it was formerly charged and give that account credit. If it is construction equipment, for example—a matter of bells or cabinets or things of that kind—we charge it off at the price it originally cost, whatever that was.

Q. When do you make your determination from which you charge off these things; don't you make an inventory once a year, at least?—A. We make an inventory practically every month.

Q. Do you mean an inspection simply?—A. No; we have our monthly reports; we know at the end of every month all about it in the way of materials, supplies, and everything of that kind.

Q. What entry is made on books in regard to them?—A. When supplies come in they are charged to whatever they belong to. If it is a piece of furniture or anything that can come under the head of construction equipment, it is charged to that. If it is general supplies, like wire, and cross arms, and matters of that kind, it is charged to supplies.

By the CHAIRMAN:

Q. One question right there, because it is on that same line. You said you charged all such articles at their cost when they became useless?—A. Yes, sir.

Q. Supposing it had run along one, two, three, or four years; do you charge that off at its original cost?—A. Yes, sir.

Q. What of the use of it meanwhile?—A. You can readily understand, General, that if we had any account charged with what it got, when those supplies year after year became unserviceable and we kept on what was added to it and failed to charge off at the full cost price the things that became unserviceable, that account would not represent on the books of the company what it represented in the warehouse or in existence really. You have got to charge off——

Q. So when it is used up in the service you charge it up at its original cost?—A. That is the only way to make the supplies on hand agree with the charges on the books, and that is the practice, I understand, in all railroad corporations.

By Mr. PITNEY:

Q. How do you manage to find out the actual original cost? Suppose your lineman goes to supply wire that has been blown down by a storm. He tears down a few hundred yards of wire, we will say, and throws it away. How do you charge that off?—A. That is not thrown away. It might get people into trouble to throw it away. It is all brought in and sorted in the warehouse, and when it amounts to a sufficient quantity to dispose of it we do so, and we charge the account to which it was originally charged with the amount the old wire brought and charge the difference to that account—the difference between its original cost and what it sold for as old junk.

Q. Then, without taking an inventory in the same way that merchants do who deal in a stock of goods, you endeavor to keep an account of these deductions of your stock of physical property and of the depletion of that stock in the manner you have just described, do you?—A. Yes, sir.

Q. And if that is properly done according to your method you accept the result as found throughout the year as being the value of the physical property on hand?—A. Well, there are two kinds of property on hand——

Q. Why can not you answer my question? I addressed my question to physical property.—A. I shall endeavor to answer it, Mr. Pitney. There are two kinds of property. One is in the warehouse, which we do keep account of the same as a merchant. As soon as any supplies are taken from that warehouse—a wire put on poles or a cable put in the ground—it is credited to supplies and charged to plant, or to reconstruction, or to replacement, or whatever it happens to be. If it is new construction we charge it to new construction. Otherwise we charge it to one of the other accounts, which finally find their way into expense and profit and loss.

Q. Yes. Now, a question or two about these statements submitted this morning. The twelfth inquiry in the chairman's letter of March 9 was as follows:

Please state in detail from 1891 to 1897, inclusive, the receipts of the Chesapeake and Potomac Telephone Company from revenues, tolls, private lines, messenger service, and other sources, and also the amount of general expenses, operating expenses, telephone accounts, and so on, giving the details in each class of expenses.

The last paragraph in your reply, dated March 17, is:

In response to your request, No. 12, I beg to submit a statement in detail, for each of the years from 1891 to 1897, of the receipts and expenditures of the Chesapeake and Potomac Telephone Company.

Now, these two sheets tell that they show the detailed statement mentioned in your reply?—A. They are. They relate to the whole company.

Q. As we have so many statements before us, will you not write on each of them your own name and the date, March 17, so they can be identified hereafter? Under the head of revenues the first column is "Exchange service." What is included within that term in this system of bookkeeping?—A. All the revenues that come from the service which is connected with the exchange.

Q. Does that include telephone rentals and exchange telephone rentals?—A. There are other accounts.

Q. Are these two statements, revenues and expenses, respectively, confined to those revenues and expenses which pertain to business in the District of Columbia?—A. No, sir; they were not asked for in that way.

Q. I think you are mistaken about that.—A. I hope that will not go on the record, because I carefully looked at the request.

Q. Can you furnish us with such a statement confined to the business of the District of Columbia?—A. I think so.

Q. I wish you would do it as soon as you can.—A. I will do so.

Q. Under the head of exchange service you include rentals of telephones?—A. Yes, sir; rentals of exchange telephones.

Q. Do you include charges for out-of-town connections?—A. No, sir; that would not come under the head of exchange revenues.

Q. That would come under the head of tolls, would it?—A. Yes, sir.

Q. What would come under the head of exchange service except rentals and exchange telephones?—A. That is all.

Thereupon, at 12 o'clock, the committee adjourned to meet at the Chesapeake and Potomac Telephone Company's Exchange to-morrow, March 18, at 10 o'clock a. m.

FRIDAY, *April 8, 1898.*

In further response to inquiries propounded by the committee in its letter of March 9 (printed on page 115), the following was received this day from Mr. S. M. Bryan, president of the Chesapeake and Potomac Telephone Company, together with his response to additional inquiries addressed to him by the committee in a letter under date March 22, 1898:

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
Washington, D. C., April 5, 1898.

Hon. WILLIAM W. GROUT,
Chairman Select Committee of the House of Representatives Charged with Making Inquiries Concerning Telephone Rates in the District of Columbia.

DEAR SIR: Referring to your letter of the 9th ultimo, requesting certain information, and to my reply thereto under date of the 17th ultimo, in which I failed to respond to your requests numbered 2, 4, 6, and 7, I now beg to make response by transmitting to you as follows:

Responding to your request No. 2, in which you ask for a copy of any and all contracts and licenses now in force, or at any time heretofore in force, made by the American Bell Telephone Company, or by any other company, with the Chesapeake and Potomac Telephone Company, or with any other company whose rights have been acquired by the Chesapeake and Potomac Telephone Company, whereby the latter company have used or do now use telephones and patented devices pertaining to telephones, or whereby that company has let or does now let to others the right to use such telephones and patented devices, I beg to hand you copies of all contracts herein referred to.

Responding to your request No. 4, on the second page of your letter above referred to, in which you ask to be informed when the National Telephone Exchange was

reorganized or merged into the Chesapeake and Potomac Telephone Company, and the terms of such reorganization or merger, and ask to be furnished with a copy of any and all contracts, assignments, and conveyances incident to said reorganization or merger, I beg to submit herewith a copy of the paper or contract of merger therein referred to.

Responding to your request No. 6, on the third page of your letter above referred to, in which you ask to be furnished with a statement of the capital stock of the Chesapeake and Potomac Telephone Company which has been held by the American Bell Telephone Company in each year (severally) from the organization of the Chesapeake and Potomac Telephone Company until the present time, and the amount of dividends paid to said American Bell Telephone Company on said stock in each year during said period, I now beg to hand you a statement of the dividends paid on the Washington (D. C.) proportion of capital stock of the Chesapeake and Potomac Telephone Company held by the American Bell Telephone Company since the organization of this company, July 3, 1883.

Responding to your request No. 7, on the third page of your letter above referred to, in which you ask to be furnished with a statement of the amount of royalties paid to the American Bell Telephone Company by the Chesapeake and Potomac Telephone Company each year since the organization of the latter company, and for what such royalties were paid, I now beg to hand you with this a statement showing the amount paid to the American Bell Telephone Company by the Chesapeake and Potomac Telephone Company for rental upon instruments used for exchange purposes, for instruments used for private-line purposes, the proportion of the extraterritorial receipts, and the proportion of telegraph commissions, all relating and confined to business in the District of Columbia, for the seven years from 1891 to 1897, inclusive.

I have the honor to be, sir, yours, very respectfully,

SAML. M. BRYAN,
President and General Manager.

Whereas, Alexander Graham Bell has made certain inventions and discoveries in regard to the transmission of the sound of the human voice and has obtained letters patent of the United States numbered 161,739, 174,465, 178,399, and 186,787 for certain instruments used therein, termed telephones, which inventions and discoveries he is desirous to make available to the public;

And whereas the party of the second part hereto desires to secure and control the use of said telephones within the territory and for the purposes hereinafter mentioned as hereinafter provided for;

Now this agreement, made and entered into this twenty-second day of April, 1878, between Gardiner G. Hubbard as trustee of said patents, party of the first part, and George C. Maynard, of Washington, D. C., party of the second part, witnesseth:

1. The term telephone, whenever and in this contract, means instruments made under the above-mentioned patents, and all patents which the party of the first part or the said inventor now has or may hereafter obtain for improvements to said instruments, and all beneficial modifications thereof which he shall be at any time authorized to use.

2. All the provisions of this contract bind or inure to the benefit of the successors of the party of the first part and to his assigns as if expressly named herein, but, so far as it relates to the party of the second part, is personal, and can not be transferred or assigned without the consent of the party of the first part. If the party of the second part should die during the continuance of this agreement this contract shall thereupon cease and determine, and the value of the interest of said party of the second part shall then be determined by reference if the parties are unable to agree upon the price to be paid said party of the second part.

3. Upon the termination of this contract all rights and interest of said party of the second part in and to all leases of telephones, and removals thereof, and rebate thereon, shall cease, except as hereinafter provided.

4. The instructions to agents hereto annexed are hereby made a part of this contract, and the restrictions and reservations therein are hereby made binding on the parties hereto, and any further or other instructions hereafter adopted by said party of the first part are to be observed and performed by the party of the second part, such instructions being common to all the agents of the party of the first part and intended to control the business of furnishing telephones to all parties other than the United States Government.

Second.—1. The party of the first part agrees that he appoints said party of the second part sole agent to lease telephones and to make contracts in the District of Columbia, including all Government establishments located within a radius of ten miles of the Capitol and in the territory embraced in the Fifth United States light-house district, as shown by the map hereto annexed (but no contracts are to be made in said light-house district except for Government use), except as herein other-

wise expressly provided, and to collect all moneys for the rent of telephones, and at his own expense to take proceedings for the collection of said moneys.

2. That he will supply said party of the second part with telephones and suitable call bells to be used therewith, as he needs them to supply lessees and purchasers, and also to supply such as may be worn out or destroyed; such telephones and call bells to be delivered at the office of the Bell Telephone Company in Boston, and the advance of two dollars on each telephone and three dollars on each call bell to be paid by the party of the second part.

Third.—1. The party of the second part agrees that he will construct, with capital furnished by him, in the most approved manner, any and all lines which may be reasonably required in said District by any proper person for use in connection with telephones, said lines to be hired or sold at reasonable terms.

The rental price may be a gross sum as rental for telephones and lines, in which event the schedule rates herein shall be the sum apportioned as the rental for telephones.

Where parties prefer to construct their own lines said party of the second part agrees to furnish telephones to operate them.

2. That the party of the second part will use his best efforts, in all proper ways, to introduce telephones to the utmost possible extent, and to preserve leases therefor for use in the District hereinbefore mentioned and described.

3. As the agent of the said party of the first part, to make contracts for the leasing and hiring of telephones within the said District, and at his own expense to collect the rent therefor and take all proper proceedings for the enforcement of said leases, and to forward said leases quarterly to said party of the first part.

4. To keep, at his own expense, proper and skillful workmen to place said telephones in position and connect the same.

5. At his own expense to repair all telephones not actually worn out or so badly damaged as to render repairing impracticable, and to dispose of those unfit to be repaired as may be required by the party of the first part.

6. To guarantee to said party of the first part all rents and compensation due to him for said telephones under contracts made by him as his agent, and to pay him the amount thereof (deducting and retaining therefrom the commissions hereinafter agreed on) in such manner as he shall reasonably direct, and so fast as the same can be collected.

7. To keep a suitable and commodious office in a convenient locality in the city of Washington for the transaction of said business at all times during the continuance of this contract.

8. To keep books of accounts which shall, at all reasonable times, be open to the inspection of said party of the first part, and shall contain the names and addresses of all parties renting said telephones and lines, and of all sums paid by them therefor, the place where said telephones are in use, and the period for which the same are leased, and the purposes for which and length of time on which they are used, and render accounts of all transactions (containing said facts) to the party of the first part monthly, or whenever required by said party of the first part; and annually to render an account showing all telephones received by it, the number he has leased, the number then in his hands not in use, and the number worn out or destroyed.

9. To perform well and faithfully all the duties and requirements of the agency hereby constituted and appointed, with diligence and promptitude, and that he will not engage in any business or undertaking prejudicial to said telephones and the introduction thereof.

Fourth.—It is mutually agreed:

1. Said party of the first part shall have the exclusive right to make contracts with any and all parties for the use of telephones solely for the purpose of transmitting messages for hire.

2. That said party of the first part shall have the right to terminate any contract made under this agreement in case the party of the second part shall fail to perform his agreements.

3. Should any telephones be lost, stolen, or destroyed (including in such terms unauthorized detention or removal beyond recovery by legal process), said party of the second part will furnish the party of the first part with an account of the telephones so lost, stolen, or destroyed, and proof of the fact and manner of such loss, theft, or destruction; and when it shall appear by such proof that the loss, theft, or destruction was without any fault or neglect on his part, and in case of such unauthorized detention or removal that the party to whom the same was entrusted was in good standing at the time of such trust, and that after diligent effort the said telephones can not be recovered by legal process, then, upon payment of the cost of the manufacture of said telephones and the amount of all damages and recoveries therefor and assignment of all judgments and claims therefor, if not collectible, said party of the second part shall, for the purposes of this contract, be credited with the same as if they had actually been returned.

4. Said party of the second part shall receive as his commission for the services hereinbefore mentioned, and as full compensation for all services rendered and disbursements paid for the party of the first part in connection with said telephones, fifty per centum of all money secured for the rent of telephones and twenty per centum of all moneys received for the rent or sale of call bells used in said District and territory, whether leased or sold through the agency of the party of the second part or otherwise howsoever (except in the case provided for in section 1 of this fourth subdivison); but upon the termination of this contract all rights in outstanding leases and the rents therefrom to cease as herein provided.

5. The amount to be charged for the rental of telephones to all parties other than the Government of the United States and the District of Columbia shall be fixed at rates as per schedule hereto annexed, which said schedules may be raised by the party of the first part from time to time in conformity with prices charged in other places, this contract in other respects remaining unaffected thereby.

6. It is hereby expressly agreed that for all requirements of the governments of the United States and the District of Columbia in the territory hereinbefore mentioned, the said party of the first part shall supply telephones and call bells to the party of the second part as he may need them, delivered in Boston; that the party of the second part shall have the right to furnish telephones for said government use without requiring the representatives of said governments to enter into any formal contracts, and shall pay all moneys due the party of the first part for rental of telephones and call bells to said governments as fast as they can be collected, using his best efforts to secure the permanent use of telephones by said governments, and to promptly collect all rentals therefor.

7. The amount of the annual rental shall be five dollars for each telephone and five dollars for each call bell furnished for said government use, except as hereinafter provided.

The party of the second part shall receive as his commissions fifty per centum of all moneys received for telephon s and twenty per centum of all moneys secured for call bells furnished said governments, as hereinafter provided.

8. In the event of the termination of this contract, as herein provided, the party of the second part shall be entitled to and shall receive his commissions on rentals of all telephones then in use by said governments, which may accrue up to the end of the fiscal year during which the termination of this contract shall take place.

9. This contract, if in all respects complied with by the party of the second part, shall remain in force for the term of six years and until three months' notice thereafter by either party of their desire to terminate it.

10. In case of any misunderstanding between the parties hereto, in relation to the provisions of this contract, the matter may be referred to three disinterested persons, one to be selected by the party of the first part, one by the party of the second part, and the third by the two referees so selected.

11. Nothing herein contained shall in any manner impose any liability on the party of the second part to pay the legal or any expenses incident upon sustaining said telephone patents should the same be questioned, or the cost of punishing any violation thereof; but said suits, if instituted at all, shall be instituted by and at the sole expense of the party of the first part, and the party of the first part will on reasonable notice defend and indemnify the party of the second part in the right to use, lease, and sell said telephones, but shall have the exclusive right to designate and retain all moneys and counsel for that purpose.

In witness whereof the parties hereto have set their hands the day and year first above written.

GARDINER G. HUBBARD, *Trustee.*
GEO. C. MAYNARD.

NOTE.—Papers attached to this agreement are Bell Telephone Company's instructions to agents, No. 1, No. 2, and No. 3, and official map of the Fifth light-house district, corrected up to June 30, 1877. Patent Office stamp, U. S. Patent Office. Received for record March 17, 1879. Recorded Liber 823, p. 383.

SECOND AGREEMENT.

Whereas an agreement in writing was entered into on the 22d day of April, 1878, between Gardiner G. Hubbard, trustee for the Bell Telephone Company, and George C. Maynard, of Washington, D. C., appointing said Maynard sole agent for the renting of telephones in the territory therein mentioned; and whereas said agreement has been assigned by said Hubbard, trustee, to the said Bell Telephone Company; and whereas the said Maynard has agreed to introduce the district or exchange telephone system into Washington and suburbs if certain modifications are made in said agreement:

Now, therefore, it is hereby agreed, this second day of December, 1878, by the said

Maynard that he will forthwith establish such district or exchange telephone system and extend it from time to time, as rapidly as possible and the public need may require, and furnish the same to subscribers at fair rates, not exceeding the rates charged in other cities of like population.

The Bell Telephone Company hereby agrees to modify and extend the provisions of the second section of the first article of said agreement of the 22d of April, 1878, whereby said agreement is made a personal contract with said Maynard, and full permission is hereby granted to said Maynard to associate with himself one or more partners, for the purpose of carrying on said district or exchange system, or to organize a joint stock company to carry on said business; but the provisions of said agreement of April 22, 1878, shall be held to apply to the said district or exchange system, and such partnership or joint stock company shall be bound by said provisions so far as they are applicable to the business of such district or exchange system.

The license or permission hereby granted shall continue during the life of the said patents mentioned in said agreement, and of all reissues thereof or improvements thereon: *Provided, however,* If there shall be any failure to organize said system, or to prosecute the business with all reasonable dispatch and in the manner herein provided, or to pay any rental due said Bell Telephone Company from any instrument furnished by it for said district or exchange business, the said Bell Telephone Company shall have the right, after reasonable notice, to be, in any event, not less than sixty days, to the parties carrying on said business, to enter into and take possession of the premises and of any and all telephones, lines and fixtures, and other property belonging to such partnership or joint stock company, and used in carrying on such business, and to take and hold possession thereof, for the purpose of continuing said business during the continuance of such breach.

Said parties may regain possession of such property and the business upon performing whatever may be in arrears and paying all proper expenses which said Bell Telephone Company may have incurred in consequence of such breach, together with any arrearages of rent.

Said Bell Telephone Company further agrees to extend the time of that portion of said Maynard's contract relating to private lines, and all other business excepting that of the district or exchange systems, for the life of the said patents, and of all reissues thereof or improvements thereon, provided the said Maynard shall live so long, and in case of his death during the lifetime of said patents, or any of them, all rights conferred on said Maynard shall continue either to his representatives, if he be alone in business, or to the partnership or joint stock company which may be carrying on the business for him: *Provided,* That, if he die while carrying on the business alone, his executor or administrator shall nominate some person to act as agent for the Bell Telephone Company in his place and for the benefit of his estate. If the person so nominated shall not be acceptable to said company, then an agent shall be selected by arbitrators, one arbitrator to be appointed by said company, another by said executor or administrator, and, in case of disagreement, a third by them.

In witness whereof the said parties have executed these presents this 2d day of December, 1878.

The BELL TELEPHONE CO.,
By its trustee, GARDINER G. HUBBARD.
GEO. C. MAYNARD.

NOTE.—U. S. Patent Office. Received for record March 17, 1879. Recorded Liber 823, p. 394.

THIRD AGREEMENT.

Whereas an agreement was entered into on the 22d day of April, 1878, by and between Gardiner G. Hubbard, trustee for the Bell Telephone Company, and George C. Maynard, of Washington, D. C., appointing said Maynard sole agent for renting of telephones in the territory described therein, which said agreement was assigned by said Hubbard to the Bell Telephone Company;

And whereas the said agreement was amended by said Bell Telephone Company and said Maynard, by joint agreement dated the second day of December, 1878;

And whereas the said agreement, as amended, has been transferred and assigned by said Bell Telephone Company to the National Bell Telephone Company;

And whereas the National Bell Telephone Company, by a proposed agreement with the Western Union Telegraph Company, representing and acting for the Gold and Stock Telegraph Company, the American Speaking Telephone Company, and the Harmonic Telegraph Company, can, under certain conditions, obtain full and exclusive license to make and to use speaking telephones, call bells, and switches, and other appliances for use in telephone lines, and any inventions or improvements applicable thereto which it or those whom it represents as aforesaid now own or control in whole or in part by contract or otherwise:

Now, therefore, the National Bell Telephone Company and the said George C. Maynard do agree as follows:

That the National Bell Telephone Company shall and does hereby grant and convey to said Maynard and his assigns and legal representatives exclusive license, except as hereinafter provided, to use telephones under any patents now held or which may be hereafter held or controlled by said National Bell Telephone Company, or which the said company now has or may hereafter have a right to use, such telephones to be used solely in the territory described in the before-mentioned agreement with the said Maynard.

That said Maynard hereby agrees to secure, on all rentals becoming due and collected from and after November 1 next as his commissions and as full compensation for all service rendered said National Bell Telephone Company, except as otherwise provided for, forty per cent of this rental of telephones, instead of fifty per cent heretofore allowed.

It is further understood and agreed that the exclusive right of transacting all business between any point within and any point without the territory embraced in this or the aforesaid agreement shall hereafter belong to the said National Bell Telephone Company, and the said Maynard and his assigns agree to collect when desired by telephone from their subscribers and customers business for points outside, and so far as they can legally control the same turn over such business to the National Bell Telephone Company or such parties as it may direct for transmission to such points.

And the said National Bell Telephone Company agrees to pay to said Maynard and his assigns and legal representatives a reasonable commission on all commissions it shall secure on account of such business in case such business is turned over to other companies for transmitting.

Where such business is collected by messenger service, then said Maynard or his assigns and legal representatives shall secure a fair compensation for such messenger service. In case such business for points outside is transmitted over lines owned by the said National Bell Telephone Company, then said Maynard shall secure a fair commission for collecting such business.

That the said National Bell Telephone Company will acquire from said Western Union Telegraph Company, or its licensee, all the plant, fixtures, etc., now belonging to or in use for district or exchange purposes in the territory aforesaid, and turn over the same to said Maynard or his assigns and legal representatives at the cost price thereof, which, according to a statement made by said Western Union Telegraph Company, is less than $2,500, and said Maynard and his assigns agree to take the same from said National Bell Telephone Company and pay the cost price thereof, the same as may be paid to said Western Union Telegraph Company, or its licensee, by the said National Bell Telephone Company.

In case the proposed agreement between the National Bell Telephone Company and the said Western Union Telegraph Company and associates is not executed and carried out within sixty days from the date hereof, then this agreement shall be null and void.

In witness whereof the parties to these presents have hereunto set their hands and seals this twenty-eighth day of October, 1879.

THE NATIONAL BELL TELEPHONE CO.,
By its general manager, THEO. N. VAIL.
GEO. S. BRADLEY, *Vice-President.*
GEO. C. MAYNARD.

In presence of—
O. E. MADDEN.

THE NATIONAL TELEPHONE EXCHANGE,
Per GEO. C. MAYNARD.

U. S. Patent Office. Rec. for record Nov. 29, '79. Recorded Liber 824, p. 153.

This agreement, made this ninth day of June, A. D. 1881, by and between George C. Maynard, of the first part, and Henry D. Cooke, junior, of the second part, both of the city of Washington, in the District of Columbia, witnesseth:

That the said party of the first part, for and in consideration of the agreements of the said party of the second part herein contained, and of the sum of dollars to him in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, has sold, assigned, and transferred, and by these presents does sell, assign, and transfer, unto the said party of the second part, his executors, administrators, and assigns, all of his right, title, interest, and privileges as agent and licensee of the American Bell Telephone Company, under and by virtue of the contract of April 22nd, 1878, between the party of the first part and Gardiner G. Hubbard, trustee, the contract of December 2nd, 1878, between the party of the first part and the Bell Telephone Company, and the contract of October 28th, 1879, between the party of the first part and the National Bell Telephone Company, within the territory covered by said contracts.

And the said party of the first part, for and in consideration of the sum above named, has sold, assigned, and conveyed, and by these presents does sell, assign, and convey, unto the said party of the second part, his executors, administrators, and assigns, all the poles, wires, batteries, instruments, and appurtenances described in the schedule hereunto annexed, and his rights of way relating thereto; and all his right, title, and interest in every lease and contract now in force heretofore made by him with the lessees of telephones and other instruments covered by said contracts, including lessees of telephone lines owned by the party of the first part, and also agrees to turn over to the party of the second part all contracts and leases with such lessees as are now in his possession.

Provided, however, That the parties hereto expressly except from the operation of this agreement so much of the interest of said party of the first part under said several contracts as relates to the telephone exchange business in the District of Columbia which has already been transferred to the National Capital Telephone Company by an instrument dated December 1st, 1879, which instrument is referred to and made part hereof.

And provided further, That the party of the second part shall pay to the party of the first part (after deducting what may be due to the American Bell Telephone Company thereon) all moneys that may be by him collected from lessees of lines and telephones under existing leases and contracts, for the uses of said lines and telephones up to and including the thirtieth day of June, 1881.

And the said party of the first part hereby agrees to pay to the said party of the second part so much of the money that may have been paid to him for rentals for terms extending beyond the thirtieth day of June, 1881 (after deducting therefrom what he has paid to the American Bell Telephone Company on account of said rentals), as would be the proportionate part of said rentals for so much of said terms as may be unexpired on the thirtieth day of June, 1881.

In consideration of the above, the said party of the second part hereby assumes all the obligations of the party of the first part as agent and licensee of the American Bell Telephone Company (excepting those heretofore assumed by the National Capital Telephone Company), including not only his obligations to that company, but also his obligations to lessees of instruments and to lessees of lines owned by him and hereby conveyed to the party of the second part.

And assumes all claims against the party of the first part that may hereafter be made against him by the National Capital Telephone Company or any person claiming under said company.

And the party of the second part agrees to take the place of the party of the first part as agent and licensee of the American Bell Telephone Company under said contracts of date April 22nd, 1878, December 2nd, 1878, and October 28th, 1879, as modified by the acceptance by that company of the National Capital Telephone Company as its agent in matters pertaining to the exchange telephone business in the District of Columbia.

A schedule giving the location of telephones included in this transfer is hereto annexed, which schedule contains also a short statement of the terms under which said telephones are held by those in whose possession they now are.

In witness whereof the said parties of the first and second parts have hereunto set their hands and seals on the day and year first above written.

GEO. C. MAYNARD. [SEAL.]
HENRY D. COOKE, JR. [SEAL.]

Signed, sealed, and delivered by both parties in the presence of—
CHAS. P. WILLIAMS.

GENTLEMEN: I beg to inform you that I have become the owner, by purchase, of the entire interest of Geo. C. Maynard in the Bell Telephone Company, embracing the District of Columbia, all Government buildings within a radius of ten miles, and the Fifth L. H. district; also all private wires, telephone leases, poles, rights of way, etc., within the District.

I now offer to you the valuable franchise which I have thus acquired for the sum of fifty thousand dollars, to be paid in the stock of your company or in money, as you may deem best.

Being a large stockholder in your company, I believe it to be essential to its welfare that it should obtain entire control of the Bell telephone interest in this District, with a view to prevent the organization of a separate, distinct, and rival corporation, which, once put in operation, could not fail to prove detrimental to the National Capital Telephone Company.

Whereas Alexander Graham Bell has made certain inventions and discoveries in

regard to the transmission of the sound of the human voice and has obtained letters patent of the United States numbered 161739, 174465, 178399, and 186787, for certain instruments used therein, termed telephones, which inventions and discoveries he is desirous to make available to the public.

And whereas the party of the second part hereto desires to secure and control the use of said telephones within the territory and for the purposes hereinafter mentioned, as hereinafter provided for:

Now, this agreement, made and entered into this twenty-second day of April, 1878, between Gardiner G. Hubbard, as trustee of said patents, party of the first part, and George C. Maynard, of Washington, D. C., party of the second part, witnesseth:

Witnesseth.

First.—1. The term telephone, whenever and in this contract, means instruments made under the above-mentioned patents, and all patents which the party of the first part or the said inventor now has, or may hereafter obtain, for improvements to said instruments, and all beneficial modifications thereof which he shall be at any time authorized to use.

2. All the provisions of this contract bind or inure to the benefit of the successors of the party of the first part and to his assigns as if expressly named herein, but so far as it relates to the party of the second part is personal and can not be transferred or assigned without the consent of the party of the first part. If the party of the second part should die during the continuance of this agreement, this contract shall thereupon cease and determine, and the value of the interest of said party of the second part shall then be determined by reference, if the parties are unable to agree upon the price to be paid said party of the second part.

3. Upon the termination of this contract all rights and interest of said party of the second part in and to all leases of telephones and removals thereof, and rebate thereon, shall cease, except as hereinafter provided.

4. The instructions to agents hereto annexed are hereby made a part of this contract, and the restrictions and reservations therein are hereby made binding on the parties hereto, and any further or other instructions hereafter adopted by said party of the first part are to be observed and performed by the party of the second part, such instructions being common to all the agents of the party of the first part, and intended to control the business of furnishing telephones to all parties other than the United States Government.

Second.—1. The party of the first part agrees that he appoints said party of the second part sole agent to lease telephones and to make contracts in the District of Columbia, including all Government establishments located within a radius of ten miles of the Capitol, and in the territory embraced in the Fifth United States light-house district, as shown by the map hereto annexed (but no contracts are to be made in said light-house district except for Government use), except as herein otherwise expressly provided, and to collect all moneys for the rent of telephones, and, at his own expense, to take proceedings for the collection of said moneys.

2. That he will supply said party of the second part with telephones and suitable call bells to be used therewith, as he needs them to supply lessees and purchasers, and also to supply such as may be worn out or destroyed; such telephones and call bells to be delivered at the office of the Bell Telephone Company, in Boston, and the advance of two dollars on each telephone and three dollars on each call bell to be paid by the party of the second part.

Third.—1. The party of the second part agrees that he will construct with capital furnished by him, in the most approved manner, any and all lines which may be reasonably required in said district by any proper person for use in connection with telephones, said lines to be hired or sold at reasonable terms.

The rental price may be a gross sum as rental for telephones and lines, in which event the schedule rates herein shall be the sum apportioned as the rental for telephones.

Where parties prefer to construct their own lines, said party of the second part agrees to furnish telephones to operate them.

2. That the party of the second part will use his best efforts, in all proper ways, to introduce telephones to the utmost possible extent and to procure leases therefor for use in the district hereinbefore mentioned and described.

3. As the agent of the said party of the first part to make contracts for the leasing and hiring of telephones within the said districts, and at his own expense to collect the rent therefor and take all proper proceedings for the enforcement of said leases, and to forward said leases quarterly to said party of the first part.

4. To keep at his own expense proper and skillful workmen to place said telephones in position and connect the same.

5. At his own expense to repair all telephones not actually worn out or so badly

damaged as to render repairing impracticable, and to dispose of those unfit to be repaired as may be required by the party of the first part.

6. To guarantee to said party of the first part all rents and compensation due to him for said telephones under contracts made by him as his agent, and to pay him the amount thereof (deducting and retaining therefrom the commissions hereinafter agreed on) in such manner as he shall reasonably direct, and so fast as the same can be collected.

7. To keep a suitable and commodious office in a convenient locality in the city of Washington for the transaction of said business at all times during the continuance of this contract.

8. To keep books of accounts which shall at all reasonable times be open to the inspection of said party of the first part, and shall contain the names and addresses of all parties renting said telephones and lines, and of all sums paid by them therefor, the place where said telephones are in use, and the period for which the same are leased, and the purposes for which and length of time on which they are used, and to render accounts of all transactions (containing said facts) to the party of the first part monthly or whenever required by said party of the first part, and annually to render an account showing all telephones received by it, the number he has leased, the number then in his hands not in use, and the number worn out or destroyed.

9. To perform well and faithfully all the duties and requirements of the agency hereby constituted and appointed with diligence and promptitude, and that he will not engage in any business or undertaking prejudicial to said telephones and the introduction thereof.

Fourth.—It is mutually agreed:

1. Said party of the first part shall have the exclusive right to make contracts with any and all parties for the use of telephones solely for the purpose of transmitting messages for hire.

2. That said party of the first part shall have the right to terminate any contract made under this agreement in case the party of the second part shall fail to perform his agreements.

3. Should any telephones be lost, stolen, or destroyed (including in such terms unauthorized detention or removal beyond recovery by legal process), said party of the second part will furnish the party of the first part with an account of the telephone so lost, stolen, or destroyed, and proof of the fact and manner of such loss, theft, or destruction; and when it shall appear by such proof that the loss, theft, or destruction was without any fault or neglect on his part, and in case of such unauthorized detention or removal that the party to whom the same was entrusted was in good standing at the time of such trust, and that after diligent effort the said telephones can not be recovered by legal process, then, upon payment of the cost of the manufacture of said telephones and the amount of all damages and recoveries therefor and assignment of all judgments and claims therefor, if not collectible, said party of the second part shall, for the purposes of this contract, be credited with the same as if they had actually been returned.

4. Said party of the second part shall receive as his commission for the services hereinbefore mentioned and as full compensation for all services rendered and disbursements paid for the party of the first part in connection with said telephones fifty per centum of all money secured for the rent of telephones and twenty per centum of all moneys received for the rent or sale of call bells used in said District and territory, whether leased or sold through the agency of the party of the second part or otherwise howsoever (except in the case provided for in section 1 of this fourth subdivision); but upon the termination of this contract, all rights in outstanding leases and the rents therefrom to cease as herein provided.

5. The amount to be charged for the rental of telephones to all parties other than the Government of the United States and the District of Columbia shall be fixed at rates as per schedule hereto annexed, which said schedules may be raised by the party of the first part from time to time in conformity with prices charged in other places, this contract in other respects remaining unaffected thereby.

6. It is hereby expressly agreed that for all requirements of the Governments of the United States and the District of Columbia in the territory hereinbefore mentioned, the said party of the first part shall supply telephones and call bells to the party of the second part as he may need them, delivered in Boston; that the party of the second part shall have the right to furnish telephones for said Government use without requiring the representatives of said Governments to enter into any formal contracts, and shall pay all moneys due the party of the first part for rental of telephones and call bells to said Governments as fast as they can be collected, using his best efforts to secure the permanent use of telephones by said Governments and to promptly collect all rentals therefor.

7. The amount of the annual rental shall be five dollars for each telephone and five dollars for each call bell furnished for said Government use, except as hereinafter provided.

The party of the second part shall receive as his commissions fifty per centum of all moneys received for telephones and twenty per centum of all moneys secured for call bells furnished said Governments, as hereinbefore provided.

8. In the event of the termination of this contract, as herein provided, the party of the second part shall be entitled to and shall receive his commissions on rentals of all telephones then in use by said Governments, which may accrue up to the end of the fiscal year during which the termination of this contract shall take place.

9. This contract, if in all respects complied with by the party of the second part, shall remain in force for the term of six years and until three months' notice thereafter by either party of their desire to terminate it.

10. In case of any misunderstanding between the parties hereto, in relation to the provisions of this contract, the matter may be referred to three disinterested persons, one to be selected by the party of the first part, one by the party of the second part, and the third by the two referees so selected.

11. Nothing herein contained shall in any manner impose any liability on the party of the second part to pay the legal or any expenses incident upon sustaining said telephone patents should the same be questioned, or the cost of punishing any violation thereof; but said suits, if instituted at all, shall be instituted by and at the sole expense of the party of the first part; and the party of the first part will, on reasonable notice, defend and indemnify the party of the second part in the right to use, lease, and sell said telephones, but shall have the exclusive right to designate and retain all moneys and counsel for that purpose.

In witness whereof the parties hereto have set their hands the day and year first above written.

GARDINER G. HUBBARD, *Trustee.*
GEO. C. MAYNARD.

NOTE.—Papers attached to this agreement are Bell Telephone Company's instructions to agents No. 1, No. 2, and No. 3, and official map of the Fifth light-house district, corrected up to June 30, 1877. Patent Office stamp, U. S. Patent Office. Received for record March 17th, 1879; recorded liber 823, p. 383.

SECOND AGREEMENT.

Whereas an agreement in writing was entered into on the 22d day of April, 1878, between Gardiner G. Hubbard, trustee for the Bell Telephone Company, and Geo. C. Maynard, of Washington, D. C., appointing said Maynard sole agent for the renting of telephones in the territory therein mentioned; and whereas said agreement has been assigned by said Hubbard, trustee, to the said Bell Telephone Co.; and whereas the said Maynard has agreed to introduce the district or exchange telephone system into Washington and suburbs, if certain modifications are made in said agreement:

Now, therefore, it is hereby agreed, this second day of December, 1878, by the said Maynard, that he will forthwith establish such district or exchange telephone system and extend it from time to time, as rapidly as possible and the public need may require, and furnish the same to subscribers at fair rates, not exceeding the rates charged in other cities of like population.

The Bell Telephone Company hereby agrees to modify and extend the provisions of the second section of the first article of said agreement of the 22d of April, 1878, whereby said agreement is made a personal contract with said Maynard, and full permission is hereby granted to said Maynard to associate with himself one or more partners for the purpose of carrying on said district or exchange system, or to organize a joint stock company to carry on said business, but the provisions of said agreement of April 22d, 1878, shall be held to apply to the said district or exchange system, and such partnership or joint stock company shall be bound by said provisions so far as they are applicable to the business of such district or exchange system.

The license or permission hereby granted shall continue during the life of the said patents mentioned in said agreement and of all reissues thereof or improvements thereon: Provided, however, if there shall be any failure to organize said system or to prosecute the business with all reasonable dispatch and in the manner herein provided, or to pay any rental due said Bell Telephone Company from any instrument furnished by it for said District or exchange business, the said Bell Telephone Company shall have the right, after reasonable notice, to be in any event not less than sixty days, to the parties carrying on said business, to enter into and take possession of the premises and of any and all telephones, lines, and fixtures and other property belonging to such partnership or joint stock company and used in carrying on such business, and to take and hold possession thereof for the purpose of continuing said business during the continuance of such breach.

Said parties may regain possession of such property and the business upon performing whatever may be in arrears and paying all proper expenses which said Bell Telephone Company may have incurred in consequence of such breach, together with any arrearages of rent.

Said Bell Telephone Company further agrees to extend the time of that portion of said Maynard's contract relating to private lines and all other business excepting that of the District or exchange systems for the life of the said patents and of all reissues thereof or improvements thereon, provided the said Maynard shall live so long; and in case of his death during the lifetime of said patents or any of them, all rights conferred on said Maynard shall continue either to his representatives, if he be alone in business, or to the partnership or joint stock company which may be carrying on the business for him: Provided, That if he die while carrying on the business alone, his executor or administrator shall nominate some person to act as agent for the Bell Telephone Company in his place and for the benefit of his estate. If the person so nominated shall not be acceptable to said company, then an agent shall be selected by arbitrators, one arbitrator to be appointed by said company, another by said executor or administrator, and, in case of disagreement, a third by them.

In witness whereof the said parties have executed these presents this 2d day of Dec., 1878.

THE BELL TELEPHONE CO.,
By its Trustee, GARDINER G. HUBBARD.
GEO. C. MAYNARD.

NOTE.—U. S. Patent Office. Received for record March 17, 1879; recorded, liber 823, p. 394.

THIRD AGREEMENT.

Whereas an agreement was entered into on the 22d day of April, 1878, by and between Gardiner G. Hubbard, trustee for the Bell Telephone Company, and George C. Maynard, of Washington, D. C., appointing said Maynard sole agent for renting of telephones in the territory described therein, which said agreement was assigned by said Hubbard to the Bell Telephone Company;

And whereas the said agreement was amended by said Bell Telephone Company and said Maynard by joint agreement dated the second day of Dec., 1878;

And whereas the said agreement as amended has been transferred and assigned by said Bell Telephone Company to the National Bell Telephone Company;

And whereas the National Bell Telephone Company, by a proposed agreement with the Western Union Telegraph Company, representing and acting for the Gold and Stock Telegraph Company, the American Speaking Telephone Company, and the Harmonic Telegraph Company, can, under certain conditions, obtain full and exclusive license to make and to use speaking telephones, call bells, and switches, and other appliances for use in telephone lines, any inventions or improvements applicable thereto which it or those whom it represents as aforesaid now own or control in whole or in part by contract or otherwise:

Now, therefore, the National Bell Telephone Company and the said George C. Maynard do agree as follows:

That the National Bell Telephone Company shall and does hereby grant and convey to said Maynard and his assigns and legal representatives exclusive license, except as hereinafter provided, to use telephones under any patents now held or which may be hereafter held or controlled by said National Bell Telephone Company or which the said company now has or may hereafter have a right to use, such telephones to be used solely in the territory described in the before-mentioned agreement with the said Maynard.

That said Maynard hereby agrees to secure on all rentals becoming due and collected from and after November 1st next as his commissions and as full compensation for all service rendered said National Bell Telephone Company, except as otherwise provided for, forty per cent of this rental of telephones, instead of fifty per cent heretofore allowed.

It is further understood and agreed that the exclusive right of transacting all business between any point within and any point without the territory embraced in this or the aforesaid agreement shall hereafter belong to the said National Bell Telephone Company, and the said Maynard and his assigns agree to collect when desired by telephone from their subscribers and customers business for points outside, and, so far as they can legally control the same, turn over such business to the National Bell Telephone Company or such parties as it may direct for transmission to such points.

And the said National Bell Telephone Company agrees to pay to said Maynard and his assigns and legal representatives a reasonable commission on all commissions it shall secure on account of such business, in case such business is turned over to other companies for transmitting.

Where such business is collected by messenger service, then said Maynard or his assigns and legal representatives shall receive a fair compensation for such messenger service; in case such business for points outside is transmitted over lines owned

by the said National Bell Telephone Company, then said Maynard shall receive a fair commission for collecting such business.

That the said National Bell Telephone Company will acquire from said Western Union Telegraph Company or its licensee all the plant, fixtures, etc., now belonging to or in use for district or exchange purposes in the territory aforesaid and turn over the same to said Maynard or his assigns and legal representatives, at the cost price thereof, which, according to a statement made by said Western Union Telegraph Company, is less than $2,500; and said Maynard and his assigns agree to take the same from said National Bell Telephone Company and pay the cost price thereof, the same as may be paid to said Western Union Telegraph Company or its licensee by the said National Bell Telephone Company.

In case the proposed agreement between the National Bell Telephone Company and the said Western Union Telegraph Company and associates is not executed and carried out within sixty days from the date hereof, then this agreement shall be null and void.

In witness whereof the parties to these presents have hereunto set their hands and seals this twenty-eighth day of October, 1879.

THE NATIONAL BELL TELEPHONE CO.,
By its general manager, THEO. N. VAIL.
GEO. S. BRADLEY, *Vice-President.*
GEO. C. MAYNARD.
THE NATIONAL TELEPHONE EXCHANGE,
Per GEO. C. MAYNARD.

In presence of—
O. E. MADDEN.

U. S. Patent Office. Rec. for record Nov. 29, '79. Recorded Liber 824, p. 153.

This agreement, made this ninth day of June, A. D. 1881, by and between Geo. C. Maynard, of the first part, and Henry D. Cooke, junior, of the second part, both of the city of Washington, in the District of Columbia, witnesseth:

That the said party of the first part, for and in consideration of the agreements of the said party of the second part herein contained and of the sum of dollars, to him in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, has sold, assigned, and transferred, and by these presents does sell, assign, and transfer, unto the said party of the second part, his executors, administrators, and assigns, all of his right, title, interest, and privileges as agent and licensee of the American Bell Telephone Company, under and by virtue of the contract of April 22, 1878, between the party of the first part and Gardiner G. Hubbard, trustee, the contract of December 2, 1878, between the party of the first part and the Bell Telephone Company, and the contract of October 28, 1879, between the party of the first part and the National Bell Telephone Company, within the territory covered by said contracts.

And the said party of the first part, for and in consideration of the sum above named, has sold, assigned, and conveyed, and by these presents does sell, assign, and convey, unto the said party of the second part, his executors, administrators, and assigns, all the poles, wires, batteries, instruments, and appurtenances described in the schedule hereunto annexed, and his rights of way relating thereto; and all his right, title, and interest in every lease and contract now in force heretofore made by him with the lessees of telephones and other instruments covered by said contracts, including lessees of telephone lines owned by the party of the first part, and also agrees to turn over to the party of the second part all contracts and leases with such lessees as are now in his possession:

Provided, however, That the parties hereto expressly except from the operation of this agreement so much of the interest of said party of the first part under said several contracts as relates to the telephone exchange business in the District of Columbia which has already been transferred to the National Capital Telephone Company by an instrument dated December 1st, 1879, which instrument is referred to and made part hereof.

And provided further, That the party of the second part shall pay to the party of the first part (after deducting what may be due to the American Bell Telephone Company thereon) all moneys that may be by him collected from lessees of lines and telephones under existing leases and contracts for the uses of said lines and telephones up to and including the thirtieth day of June, 1881.

And the said party of the first part hereby agrees to pay to the said party of the second part so much of the money that may have been paid to him for rentals for terms extending beyond the thirtieth day of June, 1881 (after deducting therefrom what he has paid to the American Bell Telephone Company on account of said rentals), as would be the proportionate part of said rentals for so much of said terms as may be unexpired on the thirtieth day of June, 1881.

In consideration of the above the said party of the second part hereby assumes all

the obligations of the party of the first part as agent and licensee of the American Bell Telephone Company (excepting those heretofore assumed by the National Capital Telephone Company), including not only his obligations to that company, but also his obligations to lessees of instruments and to lessees of lines owned by him and hereby conveyed to the party of the second part.

And assumes all claims against the party of the first part that may hereafter be made against him by the National Capital Telephone Company or any person claiming under said company.

And the party of the second part agrees to take the place of the party of the first part as agent and licensee of the American Bell Telephone Company under said contracts, of date April 22nd, 1878, December 2nd, 1878, and October 28th, 1879, as modified by the acceptance by that company of the National Capital Telephone Company as its agent in matters pertaining to the exchange telephone business in the District of Columbia.

A schedule giving the location of telephones included in this transfer is hereto annexed, which schedule contains also a short statement of the terms under which said telephones are held by those in whose possession they now are.

In witness whereof the said parties of the first and second parts have hereunto set their hands and seals on the day and year first above written.

GEO. C. MAYNARD. [SEAL.]
HENRY D. COOKE, JR. [SEAL.]

Signed, sealed, and delivered by both parties in the presence of—
CHAS. P. WILLIAMS.

GENTLEMEN: I beg to inform you that I have become the owner, by purchase, of the entire interest of Geo. C. Maynard in the Bell Telephone Company, embracing the District of Columbia, all Government buildings within a radius of ten miles, and the Fifth L. H. district; also, all private wires, telephone leases, poles, rights of way, etc., within the District.

I now offer to you the valuable franchise which I have thus acquired for the sum of fifty thousand dollars, to be paid in the stock of your company, or in money, as you may deem best.

Being a large stockholder in your company, I believe it to be essential to its welfare that it should obtain entire control of the Bell Telephone interest in this District, with a view to prevent the organization of a separate, distinct, and rival corporation, which, once put in operation, could not fail to prove detrimental to the National Capital Telephone Company.

Contract for exchange.

[Form 109 D.]

This agreement, made this thirty-first day of March, A. D. 1883, by and between the American Bell Telephone Company, a corporation created under the laws of the State of Massachusetts, lessor and licensor, party of the first part, and the National Capital Telephone Company, a corporation created under the laws of the State of West Virginia, lessee and licensee, party of the second part, witnesseth:

1. Whereas the lessor owns the letters patent of the United States granted to Alexander Graham Bell March 7, 1876, and January 30, 1877, numbered 174465, 186787, respectively, and owns or has the right to use, and may hereafter own or have the right to use, sundry other inventions, which are or may be embodied in electric speaking telephones, and desires to extend the use of telephones licensed by it in every manner in which the public may wish to use the same, and for that purpose to provide for the construction and use of the apparatus and lines necessary to be used in connection therewith; and whereas the lessee desires to obtain the use of telephones under lease and license from the party of the first part to be used with the lines of telephonic district or exchange systems established and owned by it in the territory hereinafter described under the provisions hereinafter set forth: Now, it is agreed as follows:

2. The rights hereby granted shall be perpetual unless determined as hereinafter provided, and shall extend to all exchanges established and owned by the licensee and wholly within the following described territory, namely, the District of Columbia.

3. For the purpose of this contract an "exchange" or "a district or exchange system" means a system in which different stations on the same or different circuits, and either within any city or town or within a radius of fifteen miles of a central office, are connected with such central office or branch offices for the purpose of placing subscribers or other parties by such circuits in communication with such central or branch offices or with each other, either directly or through the agents of this

system. No office or line of an exchange can be connected with any point outside of its territory, nor with any telegraph company's office or line, except by lines of the lincensor or parties specially designated by it for this purpose; nor, except in connection with such lines, can the lines of an exchange be used for performing any part of the work of transmitting messages by telephone to points outside its territory, and no telegraph company, unless specially permitted by the licensor, can be a subscriber or use the system to collect and deliver messages from and to its customers, nor shall any person use the same telephone in connection with different exchange systems.

4. The licensor, at its general office or factory, will deliver to the second party as needed electric speaking telephones, made and to be used under its patents during the existence of the rights hereby granted and as herein set forth and permitted; and all telephones delivered to the second party during the continuance hereof shall be deemed to be furnished hereunder unless otherwise specially designated by the licensor. They will be of such character and pattern and bear such marks as the lessor shall from time to time determine, but the second party may choose from among such standard patterns. Each of said telephones shall remain the property of the licensor, and is hereby leased and the use of it licensed under such patents and all others under which the lessor has or may have a right to license, so far as applicable thereto, for the purposes herein declared, for the term of one year from the day when rent and royalty begin to accrue on it as provided in article 8; but the due payment thereof to the licensor and the due performance of the stipulations hereof during said year by the second party and those using the telephone under it, shall ipso facto operate to renew the lease and the license for another year, and so on until the expiration or other determination hereof. The second party is hereby licensed to use said telephone for any purpose upon circuits exclusively composed of the lines of any such exchange system, and to use them in connection with the trunk lines reserved to the licensor by article 9 for the purposes and to the extent therein limited, during the term hereby created, upon condition and so long as the rental therefor shall be duly paid by the licensor, and as the provisions hereof are not violated, but not longer or otherwise; and it may grant said right to its customers by contracts as provided in article 7. The lessor will not license any telephone to be used by others upon an exchange system within said territory while the rights of the second party hereunder exist, except telephones to be used on the lines of exchanges having their central offices outside said territory by persons within said territory who are or may be subscribers to or customers of such exchanges; but the second party shall, by general or special exchanges, supply (so far as it is authorized so to do by this contract) all reasonable demands of the public, and shall be diligent to increase the number of telephones used on its exchanges. All rights not hereby specifically granted to the licensee are reserved by the licensor.

5. The lessor will license, to be used with such telephones, the inventions in call bells, switches, switch boards, and other apparatus needed for such telephone lines which it can so license, upon such royalties as it may from time to time establish, not greater than those fixed for others under similar circumstances; but such call bells, switches, switch boards, and other apparatus shall be used only with telephones licensed by the lessor, and the second party agrees not to use them otherwise nor to dispose of them to anyone except those so licensed or to the licensed manufacturers of the lessor. The second party may enjoy any rights of way and similar franchises to maintain said lines which the lessor can permit it to use when and so long as, in the judgment of the lessor, it shall not interfere with the lessor's enjoyment thereof, and shall pay whatever may be due to third persons, if anything, growing out of or in connection with such use by it for trunk lines from the several exchange offices to points outside of the respective exchange districts and telegraph offices. The lessor may, without further compensation, enjoy all rights of the licensee to erect and maintain lines and may use its poles and fixtures, but shall pay a pro rata share of the cost of erecting and maintaining them.

6. The lessee admits the validity of all patents relating to telephony and telephonic appliances now or hereafter held by the licensor or under which it may hold licenses exclusive in their character, and the validity of its title thereto, and will not dispute the same, nor make, use, or be interested in any telephones or telephonic lines or business not licensed by the licensor or its assigns.

7. The contract between the second party and those who are to use telephones under it, as herein provided, shall express, in such form as the lessor shall from time to time approve, that the telephone is the property of the licensor; that it is leased and licensed by it only as herein expressed; that all use of it otherwise is an injury to and invasion of the rights of the licensor as owner thereof and of the patent rights used therein, and thereby entitling it to all the remedies herein provided and to an injunction and other legal redress in a suit by it in its name and behalf. The second party shall require every person using said telephones for communications or messages sent or to be sent over other telephone or telegraph lines to provide for

payment of tolls thereon, and to make every such message subject to such stipulations, regulations, and conditions respecting the liability of such lines for errors and mistakes as the licensor may from time to time require, and for that purpose will incorporate into its subscription contracts and message blanks such provisions and contracts, to be agreed to by the subscriber and customer, as the licensor may from time to time approve, and will hold the lessor harmless from all loss and expense consequent upon its failure so to do.

8. The second party shall charge subscribers to its exchanges such rental and royalty for the telephones as the licensor may fix from time to time for these and other like exchanges, and also in addition a sum not exorbitant nor unusual for the use of call bells, batteries, wires, and other appliances, and for services furnished or performed, and may collect both of said sums for a period not exceeding one year in advance. It will make such reports, giving such information regarding the operations of its exchanges and the prices charged as the licensor may from time to time request. It shall pay to the licensor a rental and royalty at the rate per instrument of sixty (60) per cent of the telephone rental and royalty fixed as above (being a discount of forty (40) per cent, to commence on each telephone on the first day of the second calendar month after its shipment by the licensor, to continue until the instrument shall be put into the possession of the licensor or proved to be destroyed, and to be paid in equal monthly payments in advance at the licensor's office on the tenth day of each month up to the last day of the same month. Until otherwise fixed, the rates shall be as follows:

Battery transmitter, each instrument	per year..	$10.00
Magneto-telephone, each instrument	do....	10.00

Upon each instrument unlawfully detained from the lessor the second party shall pay ten dollars per month until satisfactory proof of its destruction be furnished; shall pay five dollars for each loss or destroyed otherwise than by fire or inevitable accident, and shall pay the expense of ordinary repairs; but said payments shall not confer any right to the instrument, nor to its use, nor satisfy other breach of covenant, nor impair the right of the licensor to obtain possession of any instrument or line.

9. The licensor may enter the offices and connect with the exchange systems of the second party any lines to points without the territories of such exchanges respectively, and to telegraph offices, in order to establish communication between customers of the exchanges and telegraph companies or parties reached by said lines, and may there operate said lines with suitable appliances; the second party will permit and encourage its customers to use such lines, and by its own operators will receive and transmit such messages to and from its customers and subscribers, or make the proper switchboard or other connections for direct communication, as may be requested, and in such manner, not inconsistent with the proper conduct of its office, as the licensor shall direct. But if the licensor is not satisfied with the manner in which it is performed it may establish its own offices and trunk and radiating lines for this purpose. The second party will not, without special leave of the licensor, so far as it can lawfully prevent it, permit the transmission over such connecting lines of general business messages, market quotations, or news for sale or publication, nor any communications in behalf of other parties than those who directly communicate by the telephone by themselves or their servants or agents personally present at the instruments, and no person engaged in the business of transmitting messages for other parties shall be authorized or knowingly allowed by the second party to transmit such messages over such lines.

The second party will cause each of its exchanges to turn over and deliver to the licensor and such parties as it may from time to time appoint, exclusively, all messages for electrical transmission to points outside the territory of such exchange collected by or coming on the wires or within the control of the exchange where the licensor or such party has wires, and will transmit the same, so far as the second party can lawfully control the same, and unless otherwise specially directed by its customers; but will not solicit such special directions, nor receive and pay tolls for transmission over other lines, unless compellable by law so to do. It shall keep and furnish an account of each such message transmitted or received, and of connections made therefor, and shall collect and on demand pay over to the licensor or its said appointees, respectively, the tolls for transmission beyond the exchange system, according to such rates and rules as each shall establish, and shall exhibit its accounts, and the tickets from which they are made, so far as may be proper to verify the same. Each exchange shall, if and when so requested by the licensor, make proper switch board or other connection between the lines of the licensees from points without its exchange district and terminating in such exchange office for the purpose of thereby making up a through line between points without such exchange district.

In respect of all the business provided for by this section, the second party shall make no charge to its own subscriber or customer, but shall make the following

charges and none others: The second party shall receive upon communications originating within an exchange and passing over the lines of the exchange and the exterritorial lines by direct connection, fifteen per cent of the gross tolls on the ex-territorial line, not to exceed five cents for any message or communication occupying not more than five minutes. In case an exchange shall be required to make a switchboard connection for the purpose of making a through line between points without its exchange district, then the exchange shall receive as compensation for making such connection such share of the through toll (terminal expenses being first deducted) as may be agreed upon, not, however, a greater share thereof than ten miles is of the whole length of the through line so made up, and not in any event to exceed five cents for any one communication occupying not more than five minutes; upon messages collected by an exchange over its lines or otherwise and forwarded by telegraph, the exchange shall receive fifty per cent of the commission paid to the lessor by the telegraph company, and the whole of the compensation for messenger service paid by the telegraph company; for delivering telegraph messages by telephone to subscribers, an exchange may have free use of the lessor's line to the telegraph office, when such use does not interfere with the proper dispatch of outgoing business, and may receive from telegraph company the whole of such compensation as it and the telegraph company may agree upon; for messages delivered by messenger for the telegraph company it may receive the whole compensation. The licensor now appoints the Western Union Telegraph Company to perform all telegraphic transmission under this article.

10. If the second party shall fail to pay any sums due hereunder for thirty days after the same shall become payable, or shall violate any other terms or conditions of this contract, and shall persist in such default, violation, or neglect, or fail to remedy or repair the same for sixty days after written notice thereof from the licensor, or shall become bankrupt or insolvent, the licensor may, if it shall so elect, by written notice to the second party (or those in charge of any of its offices), terminate all rights granted by the licensor hereunder, and thereupon may, by its agents, sever the circuit on which any telephone is placed and take possession of and remove the telephone, and for that purpose may enter the premises of second party and all persons claiming under it; or it may collect, from any sublessee or subscriber all sums then or thereafter due to it, or to the second party for the use of any instruments, circuits, and appliances, or under any subscription contract; or it may, so long as it shall see fit, leave in the enjoyment and use of the telephones any subscriber or other person in actual possession and collect from him such sums as may then and thereafter be or become due for the use of the telephone and exchange lines, appliances, and services, and for that purpose shall be entitled to and may take possession of all the lines, fixtures, apparatus, appliances, and premises of the second party used for carrying on its business and occupy and operate the same in connection with said telephones and to those of additional customers as exchange systems or connect such lines with offices of its own for that purpose. The licensor shall have the like right, upon and within three months after the termination of the rights of the second party hereunder, by efflux of time or otherwise, and may enforce these provisions by an entry, without being deemed guilty of any trespass, or by legal process, including an injunction to prevent any interference with the licensor (and others permitted by it) in the use of said telephones, lines, switch boards, and appliances.

The property so taken, and which does not belong to the lessor or revert to it hereunder, may be returned within three months from the taking, in which case it shall pay to the second party a reasonable compensation for its use, or the lessor may retain the same as its own property, and shall pay therefor a reasonable price (not exceeding the actual cost) within four months after the taking and shall account to the second party for all sums collected which accrued before the licensor became so entitled to possession, deducting all expenses incident thereto, and all that may be due to it. The lessor also reserves all its right and remedies in law and in equity, under the patent laws or otherwise, including the remedy by injunction against the second party or those claiming under it, for the use of any of its inventions or instruments not justified by a subsisting license hereunder, or for the violation of any other of its rights. These rights and remedies of the lessor shall, in case of any default, if the lessor shall so elect, apply only to the exchange or exchanges in which such default has occurred. The lessor may also use the name of the second party to protect its interests and to enforce its rights hereunder, and the second party shall execute assignments in accordance herewith.

11. This contract is personal to the second party herein named, and any assignment or attempt to assign it or the rights granted or lines established hereunder, or any or either of them, by act of the party or operation of law without the written consent of the licensor, will be a violation hereof, and good ground for cancellation hereof by the licensor. The party of the second part promises that it will keep and observe all the stipulations herein contained on its part to be kept and performed.

Whenever the licensor grants to others the rights for connecting lines or any other rights remaining to it, the stipulations hereof relating thereto shall be binding upon and inure to the benefit of such grantees, and the licensor shall not be responsible for their acts or defaults. If the licensor shall transfer to any party who shall agree to perform the stipulations hereof its title to the telephones hereby leased and the patent rights under which they are licensed, and its existing interests hereunder, it is agreed that the provisions hereof inure to the benefit of and are binding upon such party in respect of all things done or to be done after such assignment as if it were named a party hereto, and this said American Bell Telephone Company shall no longer be responsible hereunder.

The licensee also agrees that it will not allow any telegraph company to use or to have any rights on poles or other structures leased or put up by, or belonging to or under the control of said licensee, without the assent of the said American Bell Telephone Company.

Touching the lines which the first party may desire and direct to be built connecting the exchanges of the second party with the telegraph offices of the company or companies which the first party may appoint to receive the telegraph messages to be turned over by said second party.

Whereas the first party has, at the request of the second party, in consideration of its undertaking hereinafter in this paragraph contained, consented to increase the part to be paid the exchange of the commission paid the first party by the telegraph company upon messages turned over from twenty-five (25) per cent to fifty (50) per cent thereof.

Now, the second party in consideration thereof agrees that it will at its own cost and without charge or expense to said first party build, equip, and maintain such lines and furnish all instruments necessary to be used for the operation thereof, except telephones to be used in the telegraph office, but that such lines when built shall become and remain the property of said first party.

Signed in duplicate on the day first above written.

THE AMERICAN BELL TELEPHONE CO.
By its general manager, THEO. N. VAIL. [SEAL.]

Approved:

W. H. FORBES, *President.*

THE NATIONAL CAPITAL TELEPHONE CO.
By its president, A. P. SAWYER. [SEAL.]

Supply of telephones for private lines and other purposes.

[Form 116 C.]

This agreement, by and between the American Bell Telephone Company, of Boston, Massachusetts, a corporation established under the laws of said State, lessor and licensor, of the first part, and the National Capital Telephone Company, a corporation created under the laws of the State of West Virginia, of the second part, witnesseth:

1. Whereas the lessor owns the patents of the United States granted to Alexander Graham Bell, March 7, 1876, and January 30, 1877, numbered 174465 and 186787, respectively, and owns or has the right to use, and may hereafter own or have the right to use, sundry other inventions, which are or may be embodied in electric speaking telephones, now, for the purpose of supplying and placing telephones to be used for the purposes and as hereinafter set forth, upon private lines, club lines, social lines, and lines for speaking-tube purposes, which are entirely within the following-described territory, viz, the District of Columbia, it is agreed:

2. The private line referred to in this contract is a line consisting of only a single circuit, which shall not be permanently nor temporarily connected with any other circuit, and the telephones on which shall be used only for the individual and private business of the lessees, and only by them and their employees; and which line shall not extend more than twenty-five miles beyond the municipal limits of the city or town in which one end of the line is situated, and which shall not be used for more than four individuals, firms, or corporations, and which shall not have more than eight stations, and upon which no business shall be transacted for any consideration or toll to be paid by other persons than the lessees, or other parties named in the lease of telephones, not exceeding said number, and over which shall be transmitted no business messages, market quotations, or news for sale or publication, or messages in respect of which, or of the transmission, collection, delivery, publication, sale, or use of which, any consideration or toll is to be paid by any other person.

3. A club line is a line consisting of only a single circuit, connecting not less than

five individuals, firms, or corporations, without regard to the number of stations, or having not less than nine stations, without regard to the number of parties connected, all the stations of which are within the same municipality, or within five miles of its principal post-office, and which is used by not more than one party at each station. In other respects the use is limited as above stated for private lines.

4. A social line is a line consisting of a single circuit only, which shall not be permanently or temporarily connected with any other circuit, all the stations of which are within the same municipality and the telephones on which are to be used only for connecting persons and families for social and household purposes, and by not more than one party at each station.

But no one of the stations of a private line or of a club line or of a social line shall be used as an exchange office or be provided with a switch board or equivalent apparatus to be used in connection with said line, nor can said line be permanently or temporarily connected with a telephonic exchange system or with another circuit, nor with a telegraph office, without special leave of the lessor. In case any station shall, by such special leave, be located at a telegraph office, customers may be allowed to use the line to receive and transmit their telegraphic messages, so far as may be expressly permitted by a written license which they shall agree to, and which shall conform to the following terms, viz: Each person so using said line makes and constitutes the operator at the telegraph office his agent, without pay and without liability, to write upon the ordinary message blanks of the telegraph company all messages to be sent, to send them at the rates for unrepeated messages, to receive and receipt for all messages received for him, and to sign his name to the contracts limiting the liability of such telegraph company set forth on such blanks, and will pay to said telegraph company all tolls on messages so sent and all tolls on unpaid messages received for him; and he assumes all risk of error or mistake in the reception, repetition, delivery, nondelivery, or misdelivery of messages sent or intended to be sent over said telephone line.

5. Speaking-tube telephones are telephones of the kind especially constructed and designated for that purpose, and which are allowed to be used only to connect stations, all of which shall be on the same premises of one individual, firm, or corporation, without passing over the land of any other person (except a road or water course): or they may be allowed to be used for connecting a licensee's house, stable, and other domestic or farm buildings by passing over intervening land, provided that all stations connected by a speaking-tube line are to be within one circle of less than half a mile diameter.

6. If telephones are desired for uses and upon lines other than herein defined, special application must be made to and special leases and licenses obtained therefor from the American Bell Telephone Company; and the provisions hereof shall apply to such other telephones furnished to the second party, so far as they can be applied, subject to the provisions of such special licenses. By special leave of the lessor, one station of a club line, or of a private line, or of a social line, may be maintained in a telegraph office by consent of the telegraph company; but they are only licensed for this purpose so far as and upon the terms and conditions expressed in article 4 hereof; and when so licensed or used, such station and the business done by and from it shall be under such regulations as the lessor shall from time to time prescribe; and the party of the second part shall receive twenty-five per cent and the party of the first part seventy-five per cent of whatever the Western Union Telegraph Company (or any other company specially designated by the lessor) may pay for the collection and delivery of, and as commission upon the telegraphic messages collected or delivered through such telephone line.

7. The licensor, at its general office or factory, will from time to time deliver to the second party as needed, but not exclusively, electric speaking telephones, during the existence of this contract, to be used upon such lines for such purposes; they shall be of such standard character and pattern, and bear such marks as the licensor shall from time to time determine, but the second party may select which it prefers among said patterns (except for speaking-tube purposes as aforesaid); and licensor will also license, to be used with such telephones, the inventions in call bells, switches, and other apparatus needed for such telephone lines, which it can so license, upon such royalties as it may from time to time establish, not greater than those fixed for others under similar circumstances; but such call bells, switches, and other apparatus shall be used only with telephones licensed by the lessor, and shall not be disposed of to anyone except those so licensed or to the licensed manufacturers of the lessor. Each telephone shall remain the property of the licensor, and may be used by suitable customers to be selected by the second party upon such lines for the purposes herein set forth, under lease and license from the licensor and lessor to such customers, such lease and license to be furnished by it for each customer, in such forms and upon such terms, conditions, and rental, and for such periods as the licensor may from time to time determine; each lease and license to be countersigned by the said second party, and to be signed by each customer upon whose premises telephones are to be

placed. Said telephone rentals and royalties shall belong to and may be collected by said American Bell Telephone Company in its own name; nonpayment thereof to the said company, or any use of the telephones otherwise than is herein permitted, is an injury to and invasion of its rights as owner of the instrument and of the patent rights used therein and thereby, and entitling it to all rights and remedies in law and in equity, under the patent laws and as expressed herein and in licenses to be granted in pursuance hereof and otherwise, including the remedy by injunction, against the person in possession thereof and all others who have misused the same as aforesaid for the use of any of its patented inventions or instruments not justified by a subsisting license hereunder, or for the violation of any other of its rights.

If the said lines belong to the second party it may also charge to the customer a sum not exorbitant nor unusual for the use of such lines and the apparatus and appliances other than telephones used therewith. The second party shall, on each pay day, report the names and locations of each new customer, all licenses issued, and all removals of instruments, and give such other information respecting the business as the licensor may call for, all in such form as it may request, and shall transmit to the licensor the leases signed by customers as aforesaid. The lessor reserves the right to refuse to furnish telephones to any party who in its opinion is likely to use them in a manner contrary to the provisions hereof or to the obligations of the lessor to other parties.

8. The party of the second part shall pay, or cause to be paid, to the licensor a rental and royalty at the rate per instrument of the following percentages of the telephone rental and royalty fixed by the licensor in accordance with this contract:

Telephones for private lines, sixty (60) per cent (being a discount of forty (40) per cent); telephones for club lines, sixty (60) per cent (being a discount of forty (40) per cent); telephones for social lines, sixty (60) per cent (being a discount of forty (40) per cent); telephones for speaking-tube lines, sixty (60) per cent (being a discount of forty (40) per cent); to commence on each telephone on the first day of the second calendar month after its shipment by the licensor, to continue until the instrument shall be put into the possession of the licensor or proved to be destroyed, and to be paid in equal monthly payments in advance at the licensor's office on the tenth day of each month up to the last day of the same month. Until otherwise fixed the rates shall be as follows:

For private lines:

	Per year.
Battery transmitter, each instrument	$10.00
Magneto-telephone, each instrument	10.00

For club lines:

$10.00 per year for each battery transmitter, and $10.00 per year for each magneto-telephone, where only one instrument is used as a terminal or station; where a pair of instruments, composed of a battery transmitter and a magneto-telephone, are used at one terminal or station, $15.00 per year for each pair so used.

For social lines:

	Per year.
Battery transmitter, each instrument	$7.50
Magneto-telephone, each instrument	7.50

For speaking-tube purposes:

Speaking-tube telephone, each	5.00
Speaking-tube transmitter, each	5.00

Upon each telephone unlawfully detained from the lessor, the second party shall pay or cause to be paid ten dollars per month until satisfactory proof of its destruction be furnished, and five dollars for each lost or destroyed otherwise than by fire or unavoidable accident, and the second party shall bear the expense of ordinary repairs; but neither of said payments shall confer any right to the instrument nor to its use, nor satisfy any other breach of convenant nor impair the right of the licensor to obtain possession by act of the party or legal process. Said second party, so long as it makes or causes to be made the payments herein stipulated, and keeps all the terms hereof, may collect the rentals and royalties from the customers hereunder for a period in advance not exceeding one year. Upon any default on its part which shall continue for more than thirty days after written notice thereof, the licensor may, by written notice to it or by publication in some newspaper in the city of Washington, District of Columbia, revoke said authority to collect, and revoke and cancel all the right and interest of every kind hereunder of the second party, and may, in its own name or in the name of the second party, if it shall deem such course more convenient, collect all rentals for telephones and lines furnished hereunder or in accordance herewith, whether then due or thereafter to become due, and take possession and remove all telephones furnished hereunder, subject to such rights as such customers may lawfully have under licenses to be granted by it in accordance with the terms hereof. For all rentals and royalties so collected by the licensor and which accrued before the licensor gave notice as aforesaid, it shall account to the second party, first

deducting all that may be due from said second party to it and expenses incident thereto.

9. In case any customer hereunder shall fail to pay the rental and royalty for the instruments delivered to him, or shall use them otherwise than as provided in this license contract, or fail to return them when bound so to do, the American Bell Telephone Company may, if it sees fit, in its own name or in that of the party of the second part, as it may deem most convenient, have and exercise against said customer all the rights for redress and protection by act of the party or by process of law which belong to it, as owner of the telephone and of patent rights to the inventions embodied therein or used thereby, or provided hereby or by any contract of such customer, or may require the second party to pursue all said last-named contract rights and remedies to final judgment and execution, or other most advantageous process of the court, at his own expense.

10. The second party admits the validity of all patents relating to telephony and telephonic appliances now or hereafter held by the licensor, or under which it may hold licenses exclusive in their character, and the validity of its title thereto, and will not make, use, or be interested in any telephones or telephonic lines or business not licensed by the licensor or its assigns.

11. The second party shall, without charge, promptly notify the lessor of any parties using telephones not leased by the second party or the American Bell Telephone Company, giving name of party, description of instrument, and place where same is used, and any other information possible to obtain.

12. The second party covenants that it will be absolutely responsible for the acts and omissions of itself, its agents and servants, and that it will use good diligence and care to select sublicenses of a proper character and to compel them to conform to the terms hereof. Whenever the licensor grants to others any right remaining to it hereunder the stipulations hereof relating thereto shall be binding upon and inure to the benefit of such grantees, and the licensor shall not be responsible for their acts or defaults. If the licensor shall transfer to any party, who shall agree to perform the stipulations hereof, its title to the telephones hereby leased and the patent rights under which they are licensed and its then existing interests hereunder, it is agreed that the provisions hereof inure to the benefit of, and are binding upon, such party in respect of all things done or to be done after such assignment as if it were named a party hereto, and that said American Bell Telephone Company shall no longer be responsible hereunder. All words herein relating to the second party shall be deemed to be of such number and gender as may be required.

13. The rights of the second party hereunder shall be perpetual unless determined as provided in article 8 hereof.

Signed in duplicate this thirty-first day of March, 1883.

THE AMERICAN BELL TELEPHONE CO.,
By its general manager, THEO. N. VAIL. [SEAL.]

Approved:

W. H. FORBES, *President.*
THE NATIONAL CAPITAL TELEPHONE CO.,
By its president, A. P. SAWYER. [SEAL.]

Whereas it was voted by the stockholders of the National Capital Telephone Company at a meeting duly called on June 29th, 1883, to sell and transfer said company, with all its rights, titles, property, and franchises, to the Chesapeake and Potomac Telephone Company on terms and conditions then stated: Now, therefore, this agreement witnesseth, that I, H. P. Frost, vice-president of the said National Capital Telephone Company (A. P. Sawyer, president, being disqualified by reason of ceasing to be a stockholder), by virtue of the vote of said company and by order of the board of trustees, in consideration of five dollars to me in hand paid, the receipt whereof is duly acknowledged, and of seven thousand five hundred (7,500) shares of the stock of the Chesapeake and Potomac Telephone Company to me delivered, the receipt whereof is duly acknowledged by and from H. D. Cooke, treasurer of the said Chesapeake and Potomac Telephone Company, have sold, and by these presents and this agreement do sell, assign, set over, and deliver to the said Chesapeake and Potomac Telephone Company all the rights, titles, interests, property, credit, moneys, accounts, and franchises of whatsoever kind and nature, however owned, held, or enjoyed and wherever, situated to have and to hold the same to the said Chesapeake and Potomac Telephone Company, their successors and assigns, to their use and benefit forever.

In witness whereof I hereunto set my hand and the seal of the said National Capital Telephone Co. this 30th day of July, 1883.

THE NATIONAL CAPITAL TELEPHONE COMPANY,
By H. P. FROST, *Acting President.* [SEAL.]

Witness:
H. S. CUMMINGS.
JNO. A. BEAVER.

Received this 30th day of July, 1883, the property above described for the use and benefit of the Chesapeake and Potomac Telephone Company.

H. D. COOKE,
Treasurer Chesapeake and Potomac Tel. Co.

This memorandum of an agreement, made this first day of August, A. D. 1883, by and between The American Bell Telephone Company, a corporation formed under the laws of the Commonwealth of Massachusetts, of the first part, The Chesapeake and Potomac Telephone Company, a corporation formed under the laws of the State of New York, of the second part, the National Capital Telephone Company, a body corporate formed under the laws of the State of West Virginia, of the third part, and the "Telephone Exchange Company" (of Maryland), a corporation formed under the laws of said State of West Virginia, of the fourth part, witnesseth:

Whereas the said National Capital Telephone Company holds the following-named license agreements under the said The American Bell Telephone Company, viz:

Contract for exchanges, form 109 D, dated March 31, 1883;

Contract for supply of telephones for private lines and other purposes, form 116 C, dated March 31, 1883;

Contract for extra-territorial connecting lines from Washington, District of Columbia, to Laurel, in the State of Maryland, form 113 C, dated March 31, 1883;

And whereas the said The American Bell Telephone Company and the said Telephone Exchange Company did, on the twenty-third day of May, A. D. 1882, enter into an agreement, a copy whereof is hereto annexed marked "B," and did in pursuance thereof execute the license contracts thereby called for; and

Whereas the said The Chesapeake and Potomac Telephone Company has been formed for the purpose of acquiring the property and consolidating the business of said National Capital Telephone Company and said Telephone Exchange Company, and has acquired or bargained to acquire said property and business, including the right, with the consent of said The American Bell Telephone Company, to have an assignment of said agreement and licenses, and desires to have an assignment of said agreements and licenses, and to have the consent of the said The American Bell Telephone Company thereto:

Now, therefore, in consideration of the premises and of the covenants on the part of the several parties hereinafter contained—

1. Said National Capital Telephone Company hereby assigns, transfers, and sets over unto said The Chesapeake and Potomac Telephone Company all and singular said contracts as aforesaid held by it and all its right in, to, and under the same, subject, however, to all acts, duties, covenants, conditions, and agreements therein contained on its part to be done, kept, and performed, and to all and singular the right of the said The American Bell Telephone Company therein contained.

Said The Chesapeake and Potomac Telephone Company hereby accepts said assignment, and in consideration of the consent of the said The American Bell Telephone Company to said assignment promises and agrees to and with the said The American Bell Telephone Company to be bound by and subject to all and singular the terms and conditions of said agreement and licenses as to all things hereafter done or to be done with like effect as if it, said The Chesapeake and Potomac Telephone Company, were named party of the second part thereto; the said The American Bell Telephone Company assents to said assignment; and the said The American Bell Telephone Company, The Chesapeake and Potomac Telephone Company, and said National Capital Telephone Company agree that the said National Capital Telephone Company shall no longer be subject to or entitled to the benefit of said license agreements.

2. The said Telephone Exchange Company hereby assigns, transfers, and sets over to the said The Chesapeake and Potomac Telephone Company the contract of May 23rd, 1882, as aforesaid made with it, and the said license contracts made in pursuance thereof and all its rights in, to, and under said contract and licenses, subject, however, to all acts, duties, covenants, conditions, and agreements therein contained on the part of it, said Telephone Exchange Company, to be done, kept, observed, or performed, and to all and singular the rights of the said The American Bell Telephone Company therein contained.

Said The Chesapeake and Potomac Telephone Company hereby accepts said assignment, and, in consideration of the consent of the said The American Bell Telephone Company to said assignment, promises to agree to and with said The American Bell Telephone Company to be bound by and subject to all and singular the terms and conditions of said agreement and licenses as to all things hereafter done or to be done with like effect as if it, the said The Chesapeake and Potomac Telephone Company, was named party of the second part thereto; the said The American Bell Telephone Company assents to said assignment; and the said The American Bell Telephone Company, The Chesapeake and Potomac Telephone Company, and Telephone Exchange Company agree that the said Telephone Exchange Company shall no longer be liable thereunder nor entitled to the benefits thereof.

3. And whereas in said agreement of May 23rd, 1882, it was among other things provided that said The American Bell Telephone Company should be entitled to and have 35 per cent interest in all and singular the property, rights, business, and profits of the said Telephone Exchange Company, and for the accomplishment thereof should, in addition to the stock payment then presently to be made, be entitled to 35-100 part of any increase in the amount of the capital stock of said Telephone Exchange Company that might be made; and

Whereas it is intended and agreed that said The American Bell Telephone Company shall, in substitution for its said right in any increase of the capital stock of said Telephone Exchange Company, have 35-100 of three-fourths of any excess or increase in the capital of the said The Chesapeake and Potomac Telephone Company above the amount of $2,400,000; and

Whereas the capital of said The Chesapeake and Potomac Telephone Company has been fixed at $2,650,000; now, said The Chesapeake and Potomac Telephone Company agrees that it will forthwith furnish and pay to said The American Bell Telephone Company 656 and 1-4 shares of its capital stock and further that it will furnish and pay to said The American Bell Telephone Company 35 per cent of three-fourths of each and every increase which may be made in its capital stock above said amount of $2,650,000 (two million six hundred and fifty thousand dollars), such stock so to be paid to be lawfully issued, full paid and not subject to any assessment or any contribution.

Said The American Bell Telephone Company agrees that it will release to said The Chesapeake and Potomac Telephone Company its claim on 40-100 of the stock received by it hereunder to dividends which shall be declared before April 1, 1886, out of actual net earnings.

In witness whereof the parties hereto have caused these presents to be signed by their proper officers, respectively, thereto duly authorized, and their respective corporate seals to be hereto affixed, the day and year first above written.

THE AMERICAN BELL TELEPHONE CO.,
By its general manager, THEO. N. VAIL. [SEAL.]

Approved:

CHARLES P. BOWDITCH, *Vice-President.*
THE CHESAPEAKE AND POTOMAC TELEPHONE CO.,
By its president, MORRIS F. TYLER. [SEAL.]
THE TELEPHONE EXCHANGE COMPANY,
By its president, A. G. DAVIS. [SEAL.]
NATIONAL CAPITAL TELEPHONE COMPANY,
By its president, A. P. SAWYER. [SEAL.]

We have received of the Chesapeake and Potomac Telephone Company six hundred and twenty-six (626) shares out of the six hundred and fifty-six and one quarter (656¼) shares to which we are presently entitled, leaving thirty and one-quarter (30¼) shares due us to be paid out of the next increase in stock.

THE AMERICAN BELL TELEPHONE COMPANY,
By THEO. N. VAIL.

This agreement made this twenty-third day of May, A. D. 1882, by and between the American Bell Telephone Company, a corporation created under the laws of the Commonwealth of Massachusetts, of the first part, and the Telephone Exchange Company, a corporation created under the laws of the State of West Virginia, of the second part, witnesseth:

Whereas the Bell Telephone Company, a corporation created under the laws of said Commonwealth of Massachusetts, entered into an agreement with Augustus G. Davis and John Henry C. Watts, both of Baltimore, in the State of Maryland, dated March 29, 1878, giving said Davis and Watts certain rights, as in said contract set forth, touching the use and renting of telephones in a certain part of the State of

Maryland, which said agreement was modified by the parties thereto by an agreement dated April 25, 1878, and was about the first day of January, 1879, further modified by an agreement between the National Bell Telephone Company, as it was the assignee of said Bell Telephone Company, and said Davis and Watts; and

Whereas said The American Bell Telephone Company, party of the first part, has acquired all the telephones, patents, patent rights, and other property of said Bell Telephone Company and of said National Bell Telephone Company and all the rights of said companies in, to, and under said several contracts; and

Whereas the Maryland Telephone Company, of Baltimore City, a corporation created under the laws of the State of Maryland, has acquired from said Davis and Watts a certain beneficial interest in said contracts; and

Whereas said party of the second part hereto has acquired, or bargained to acquire, all and singular the exchanges, exchange business, and plant and property whatsoever of said Maryland Telephone Company, and all and singular the telephone business and plant of every name and nature owned and carried on by said Davis and Watts under said contracts; and

Whereas said second party hereto desires to have certain licenses from said first party, as hereinafter set forth, and said first party has agreed to grant the same for the considerations and upon the terms hereinafter set forth;

Now, therefore, it is agreed as follows, that is to say:

1. The second party shall forthwith assign, surrender, and give up, or procure to be assigned, surrendered, and given up, to said The American Bell Telephone Company said several contracts so as aforesaid made with said Davis and Watts, and all and singular the rights of said Davis and Watts, of said Maryland Telephone Company, and of it, said second party, and of any or either of them, in, to, or under the same.

2. Said first party agrees that it will, upon such surrender and for the considerations and upon the terms and conditions hereinafter contained, enter into the following-described agreements with the second party, that is to say:

Contract for exchange purposes hereto annexed, marked A.

Contract for supply of telephones for private lines and other purposes hereto annexed, marked B.

Whereas certain telephones (schedules of which are annexed, marked C and D) have heretofore been furnished to said Davis and Watts for use for various purposes in the territory covered by said new license contracts by said Bell Telephone Company, said National Bell Telephone Company, or said The American Bell Telephone Company, all of which telephones are now the property of said The American Bell Telephone Company, it is agreed that all said telephones shall be held by said Telephone Exchange Company, the second party hereto, as the property of said The American Bell Telephone Company, and each under the contract herein agreed to be given for like purposes and with like effect as if it had actually been furnished thereunder, except that rentals and royalties thereon shall begin at the date of such new contract.

3. Whereas it is agreed that said The American Bell Telephone Company, in consideration of the grant of said licenses herein agreed to be given, shall (in addition to the rentals, royalties, and other payments therein provided for) be entitled to thirty-five hundredths (35-100) interest in all and singular the property, rights, business, and profits of said Telephone Exchange Company, and that such interest shall not be required to contribute to the expense of developing the territory covered by said licenses or to the payment of liabilities incurred on account thereof:

Now, said Telephone Exchange Company, for the accomplishment thereof, shall—

(*a*) Forthwith, upon the granting thereof, furnish and pay to said The American Bell Telephone Company seventeen hundred and fifty shares of its capital stock (being thirty-five hundredths (35-100) thereof); and

(*b*) Shall further, from time to time, if and when an increase in the amount of its capital stock shall be made, furnish and pay to said The American Bell Telephone Company thirty-five hundredths (35-100) of such increase.

(*c*) All the stock so to be paid to said The American Bell Telephone Company to be lawfully issued, full paid, and not subject to any assessment or contribution; and said second party shall not, without the consent of said The American Bell Telephone Company, borrow money for the purpose of extending or developing its business, but all expense of extension and development shall be provided for by increase of capital stock.

4. Said The American Bell Telephone Company agrees that it will from time to time, until the first day of April, 1883, as it shall receive the same, pay over to George R. Blanchard, of the city and State of New York, in trust for the stockholders at the times of such payments of said Telephone Exchange Company other than the said The American Bell Telephone Company, or the assignee or assignees, of its said shares, to be by him, the said Blanchard, paid to the said stockholders in the proportion of stock held by them, respectively, all dividends out of net earnings which may

be declared and paid on account of said seventeen hundred and fifty (1,750) shares of stock so to be paid it, and thereafter and until the first day of April, 1886, it will pay over to said Blanchard in trust as aforesaid all dividends out of earnings which may be declared and paid on account of seven hundred (700) shares of said stock.

The receipt of said Blanchard to said The American Bell Telephone Company therefor shall be a good discharge, and it, said The American Bell Telephone Company, shall not be liable for the acts or defaults of said Blanchard.

In case of the death, resignation, or inability to act of said Blanchard, trustee, said second party shall have the right to name a successor to him, said Blanchard, in said trust, and such successor so named shall have the same powers and be subject to the same obligations as are hereby given and imposed to and upon the said Blanchard.

Executed in duplicate the day and year first above written.

THE AMERICAN BELL TELEPHONE CO.,
By its general manager, THEO. N. VAIL. [SEAL.]

Approved:

W. H. FORBES, *President.*
THE TELEPHONE EXCHANGE CO.,
By its president, A. G. DAVIS.

This agreement, made this eleventh day of December, A. D. 1884, by and between the American Bell Telephone Company, a corporation created under the laws of the State of Massachusetts, of the first part, and the Chesapeake and Potomac Telephone Company, a corporation created under the laws of the State of New York, of the second part; witnesseth:

Whereas the first party issued to the Telephone Exchange Company, a corporation created under the laws of the State of West Virginia, two (2) license contracts, both dated May 23rd, A. D. 1882, in forms 109 D for exchange purposes, and 116 C for private line purposes, respectively, for the following described territory, that is to say:

The State of Maryland, excepting a belt within a radius of ten (10) miles of the city of Washington, District of Columbia; and

Whereas the second party hereto has, by assignment, become party to said contracts in place of said Telephone Exchange Company; and

Whereas it is desired by the parties hereto to have said excepted territory brought under said two (2) contracts:

Now, therefore, it is agreed as follows: That said accepted territory, that is to say:

That portion of the State of Maryland as is within a radius of ten (10) miles of the City of Washington, District of Columbia, shall from the date hereof come under said two (2) license contracts, with like effect as if it were named in the descriptions of territory covered thereby (and had not been accepted therefrom), and said two (2) license contracts shall be read and construed throughout accordingly.

Signed in duplicate on the day first above written.

THE AMERICAN BELL TELEPHONE COMPANY,
By its general manager, THEO. N. VAIL. [SEAL.]

Approved:

CHARLES P. BOWDITCH, *Vice President.*
THE CHESAPEAKE AND POTOMAC TELEPHONE CO.,
By its president, MORRIS F. TYLER. [SEAL.]
GEO. M. WOOD, *Secretary.*

[Form 113 C.]

CONTRACT FOR EXTRATERRITORIAL CONNECTING LINES.

This agreement, made this seventh day of February, A. D. 1885, by and between the American Bell Telephone Company, a corporation duly formed under the laws of Massachusetts, lessor and licensor, of the first part, and the Chesapeake and Potomac Telephone Company, a corporation created under the laws of the State of New York, lessee and licensee, of the second part, witnesseth:

1. Said licensee desires to obtain the right to use upon lines between Washington, in the District of Columbia, and Baltimore, in the State of Maryland, upon the most direct route, telephones to be obtained from the lessor and under lease and license from it, under its two patents granted Alexander Graham Bell, Nos. 174465, dated

March 7, 1876, and 186787, dated January 30, 1877, and under other patents which it may hereafter own or have the right to use, applicable thereto; and also to avail itself of and enjoy the right of connecting with the exchange system already established in any of said places, as provided and stipulated in favor of the lessor in its exchange contracts for those places (copies of which stipulations have been furnished to the licensee, and the terms of which he is to conform to so far as they relate to business to be done hereunder), and of connecting with exchange systems which may hereafter be established in any of said places or in exchange districts lying on the direct route between said places, under contracts to be made by the lessor therefor, to contain stipulations substantially like those in the lessor's Standard Form 109 C, a copy of which has been furnished to the lessee, and wishes to use, and allow others to use, said lines for personal communication between said termini and said other places; now it is agreed:

The rights hereby granted to the lessee shall be perpetual unless determined as hereinafter provided.

3. The lessee may construct lines along said described route, and may use them for telephonic personal communication between a customer in one exchange district or above-named place and a customer in another such exchange district or place, and not otherwise, except in connection with extra-route lines owned or specially licensed for the purpose by the licensor. The lessee shall not directly or indirectly connect its lines with any telephone or telegraph line or telephone exchange, except lines with which it has been by the lessor specially authorized to connect; nor deliver messages to be forwarded to destination by telegraph to any telegraph company except such as may be specially designated by the lessor for that purpose, so far as it can lawfully control the same, or unless specially directed by a customer so to do (but it will not solicit such special direction nor receivec any pay tolls over other lines unless compellable by law so to do). For the purpose of establishing telephonic personal communication between customers, as aforesaid, the lessee may have and exercise all the right to construct and operate telephone lines in said exchange districts, and there maintain suitable offices and connect with such exchange systems established or to be established, as aforesaid, which the lessor has reserved, and is or may be entitled to grant for extraterritorial connecting lines under licenses to exchanges made or to be made, as aforesaid; but the lessee shall connect with each local exchange established, or which may be established, and do its business, so far as the same can, in the opinion of the lessor, conveniently be so done, with the customers thereof through said exchange, unless the American Bell Telephone Company or its successors shall decide that the exchange fails to furnish proper facilities. For the purpose of this contract an exchange district means a territory not to cover more than a single town or city or a circle of fifteen miles radius, measured from a central point, which the licensor has included and covered, or may hereafter include and cover, in and by an exchange license.

4. The licensor, at its general office or factory, will deliver to the lessee as called for electric speaking telephones made and to be used under its patents during the existence of the rights hereby granted and as herein set forth and permitted, and all telephones delivered to the lessee during the continuance hereof shall be deemed to be furnished hereunder unless otherwise specially designated by the licensor. They will be of such character and pattern and bear such marks as the lessor shall from time to time determine, but the lessee may choose from among such standard patterns. Each of said telephones shall remain the property of the licensor, and is hereby leased and the use of it is hereby licensed for the purposes herein declared, for the term of one year from the day when rent and royalty begins to accrue on it as herein provided; but the due payment thereof to the licensor, and the due performance of the stipulations hereof during said year by the lessee and those using the telephone under it, shall ipso facto operate to renew the lease and license for another year, and so on until the determination hereof. The licensee shall pay to the licensor a rental and royalty at the rates named below, to commence on each instrument on the first day of the second calendar month after its shipment by the licensor, to continue until the instrument shall be put into possession of the licensor or proved to be destroyed, and to be paid in equal monthly payments in advance at the licensor's office on the tenth day of each month up to the last day of the same month. Until otherwise fixed the rates shall be as follows:

	Per year.
Battery transmitter, each instrument	$10.00
Magneto-telephone, each instrument	10.00

Upon each instrument unlawfully detained from the lessor the lessee shall pay five dollars per month until satisfactory proof of its destruction be furnished, and five dollars for each lost or destroyed otherwise than by fire or inevitable accident, and shall also bear the expense of ordinary repairs; but said payments shall not confer any right to the instrument, nor to its use, nor satisfy any other breach of covenant, nor impair the right of the licensor to obtain possession of any instrument or lines.

5. The right and license hereby granted is the right and license to use said telephones to carry on personal communication, upon their own business, by and between customers and their employees personally present at instruments in different towns or exchange districts above named, over circuits composed exclusively of said authorized lines owned by the lessee and the lines of the exchange licensed by the licensor and with which the licensee is authorized to connect as aforesaid, and between any such customer and a customer so using the telephone in an extra-route place by means of such lines of the lessee and other lines and instruments specially licensed by the licensor therefor; but the telephones furnished hereunder are not to be used to connect parties in the same town or exchange district, nor to connect persons in different towns which may hereafter be included in one exchange district after the same have been so included, nor for the transmission of general business messages, market quotations, or news for sale or publication, in competition with the business of any telegraph company; and the lessee, so far as it can lawfully and properly prevent it, will not permit the same to be so used. The term "general business messages" is defined to mean all communications in behalf of other parties than those who directly communicate by the telephone by themselves or their servants or agents personally present at the instruments, and no person engaged in the business of transmitting messages for other parties shall be authorized or knowingly allowed by the lessee, its servants or agents, to transmit such messages through the telephone. The lessor will not furnish or license telephones to any other party to establish such personal communication by said route between persons in one of said places or exchange districts with persons in another of said places or exchange districts while the rights of the lessee hereunder exist, except so far as the lessor's existing contracts with the Western Union Telegraph Company, and with others, may require it so to do, or as it may see fit so to do under contracts hereafter to be made for exchange, private, club, social, and other lines substantially as defined in its standard forms Nos. 109 C and 116 C, but the lessee shall furnish sufficient general lines for general customers and special lines for individual or associated customers over said route and for the purposes aforesaid, at prices which shall be reasonable under the circumstances hereunder.

6. The lessor will license to be used with such telephones the inventions in call bells, switches, switch boards, and other apparatus needed for such telephone lines, which it can so license, upon such royalties as it may from time to time establish, not greater than those fixed for others under similar circumstances; but such call bells, switches, switch boards, and other apparatus shall be used only with telephones licensed by the lessor, and the lessee agrees not to use them otherwise, nor to dispose of them to anyone except those so licensed, or to the licensed manufacturers of the lessor. The licensee may enjoy any rights of way and similar franchises to maintain said lines which the lessor can permit him to use when and so long as, in the judgment of the lessor, it shall not interfere with the enjoyment thereof by the lessor or its other grantees, and shall pay whatever may be due to third persons, if anything, growing out of or in connection with such use by it. The lessor reserves the right to use telephones on lines passing over said route either terminus of which is beyond or off of said route, for the purpose of establishing personal communication or transmitting messages between any such point and any point within or without the route licensed, and, to establish lines for that purpose, may enjoy any rights of the lessee to erect and maintain lines, and may string its wires on the poles of the lessee, paying therefor a pole rental of $4 per mile per annum for each wire.

The lessee will allow the lessor to connect any other wires with its said lines in order to constitute thereby a through line, of which at least one terminus shall be beyond or off of said route and of which the lessee's line can form a portion or link, in order to forward through messages; will make or permit to be made convenient switch board or other connections for that purpose, and as compensation therefor will take a share of the through toll (terminal expenses being first deducted) pro rata according to distance, not greater than that customarily charged by it for like distances, and will also allow any telephone exchange to be designated by the lessor to connect with its lines for the purpose and substantially in the manner described in the lessor's standard Forms 109 B, 109 C. In respect of all communications originating on its lines and which are to be forwarded over any other lines, the lessee shall require the customer or subscriber to bind himself by and make every message subject to such contracts, stipulations, and limitations of liability of such other lines as the licensor may from time to time require, in such form as it may from time to time prescribe, and will hold the lessor harmless from all loss or expense consequent upon its failure so to do.

7. The lessee admits the validity of all patents relating to telephony and telephonic appliances, now or hereafter held by the licensor, or under which it may hold licenses exclusive in their character and the validity of its title thereto, and will not dispute the same nor make, use, or be interested in any telephones or telephonic lines or business not licensed by the licensor or its assigns.

8. The lessee will pay to the exchanges established, or which may hereafter be established, and with which it shall connect as aforesaid, such sums as such exchanges are or shall be entitled to receive under their exchange contracts made, or to be made, for making connections with extraterritorial lines. And the lessee will also pay to the lessor, in addition to said telephone rental and royalty, and in consideration of the further rights and privileges hereby granted, one-fourth of the lessee's gross receipts from subscriptions and tolls (which tolls shall not be less than at the rate of fifteen cents for the first ten miles or fraction thereof, and five cents for each additional ten miles or fraction thereof, for a communication occupying not more than five minutes), and from other sources, after deducting for terminal expenses such sums as it may have to pay to the terminal exchange, not exceeding those chargeable under exchange contracts made or to be made by the licensor as aforesaid. Said payments are to be made to the lessor at its office on the tenth day of each month, upon all receipts up to the first day thereof. The lessee shall keep full accounts of such receipts and payments, furnish copies thereof to the licensor upon request, and exhibit its original accounts and vouchers, so far as may be proper to verify the same.

9. The lessee may place the telephones furnished hereunder in its own offices for for use by general customers, as herein stated and limited, or may place them under subleases and licenses in connection with its lines, on the premises of subscribers or special customers, for such uses. Such subleases and licenses shall, in such form as the licensor shall from time to time approve, express the title of the licensor to the telephone and the patents, the extent of the license hereby granted, the purposes for which the telephone may be used, that any other use of any telephone by any person, or nonpayment of the rental and royalty to the licensor, is an injury to and invasion of its rights as owner thereof and of the patent rights used therein and thereby, and entitling it to all rights and remedies in law and in equity under the patent laws, as herein expressed, otherwise, including the remedy by injunction against the person in possession thereof, and all others who have misused the same, as aforesaid, for any use not justified by a subsisting license, or for the violation of any other of its rights. It may also enforce against such sublicense all rights and pursue all remedies given by and under such sublicense, and may use the name of the lessee for such purpose, or may require the lessee, at his own expense, to enforce the terms of such contracts.

10. If the lessee shall fail to make any of the payments herein stipulated when due, or shall fail to keep any of the terms hereof, or of a certain agreement between the parties hereto, dated August 1st, 1883, and such default shall continue during a period of sixty days after written notice thereof from the lessor, or shall become bankrupt or insolvent, the licensor may, if it shall so elect, by a written notice to the lessee (or those in charge of any of its principal offices), terminate all rights granted by the licensor hereunder, and by itself or those designated by it for the purpose, by due process of law or by actual entry, may and shall be entitled to repossess itself of the rights and privileges herein granted, and thereafter use and enjoy the same; and especially may take possession of and remove said telephones, or sever the wires to which they are connected, and connect its own wires to said severed wires, telephones, and apparatus, and use the same by itself and by those whom it may permit; or it may, so long as it shall see fit, leave in the enjoyment and use of the telephones any person in actual possession, and collect from him such sums as are or may become due for the use of the telephones, wires, and appliances used therewith, and for that purpose shall be entitled to and may take possession of all the lines, fixtures, apparatus, appliances, and premises of the lessee used for carrying on this business, and occupy and operate the same in connection with said telephones and other telephones connected or to be connected therewith, or connect such lines with offices of its own for that purpose.

The licensor shall have the like right upon or within three months after the termination of the rights of the licensee hereunder by efflux of time or otherwise; and may enforce this provision by an entry without being deemed guilty of any trespass, or by legal process, including an injunction to prevent any interference with the licensor and others permitted by it in the use of said telephones, lines, and apparatus. The property so taken and which does not belong to the lessor or revert to it hereunder may be returned within three months from the taking, in which case the lessor shall pay to the lessee a reasonable compensation for the use thereof, or the lessor may retain the same as its own property, and shall pay therefor a reasonable price, in no case exceeding the actual cost, within four months after the taking, and shall account to the lessee for all sums collected which accrued before the licensor became so entitled to possession, first deducting all expenses incident thereto, and all that may be due from the lessee to it. The lessor also reserves all its rights and remedies in law and in equity under the patent laws or otherwise, including the remedy by injunction against the lessee or those claiming under it, for the use of any of its patented inventions or instruments not justified by a subsisting license here-

under, or for the violation of any other of its rights. The lessor may also use the name of the lessee to protect its interests and enforce its rights hereunder, and the lessee shall execute assignments in accordance herewith.

11. This contract is personal to the lessee herein named, and any assignment or attempt to assign the same or the lines established hereunder by act of the party or operation of law, without the written consent of the licensor, shall be a violation hereof, and good ground for a cancellation hereof by the licensor. The party of the second part covenants that he will keep and observe all the stipulations herein contained on his part to be kept and performed. Whenever the licensor grants to others the rights for exchanges or extra-route lines or any other rights remaining to it, the stipulations hereof relating thereto shall be binding upon and inure to the benefit of such grantees, and the licensor shall not be responsible for their acts or defaults. If the licensor shall transfer to any party who shall agree to perform the stipulations thereof, its title to the telephones hereby leased, and the patent rights under which they are licensed, and its then existing rights hereunder, it is agreed that the provisions hereof inure to the benefit of and are binding upon such party in respect of all things done or to be done after such assignment, as if it were named a party, and that said American Bell Telephone Company shall no longer be responsible hereunder. Words herein referring to the party of the second part shall be taken to be of such number as may be required.

12. Whereas the line covered by this license has already been built and business has been done over the same without license from said first party, now the second party shall pay to the first party the same share of subscriptions and tolls received from business heretofore done upon said line as is herein provided to be paid for business done hereunder, and the same rental and royalty upon instruments used therein as is herein provided for instruments furnished hereunder.

The following interlineations, viz, "District" on line 10, "or fraction thereof" and "and from other sources" on line 155, and "or of a certain agreement between the parties hereto, dated August 1st, 1883," on line 180, were made before signature by either party.

Signed on the day first above written, in duplicate.

THE AMERICAN BELL TELEPHONE CO.,
By its general manager, THEO. N. VAIL. [SEAL.]

Approved.

CHARLES P. BOWDITCH, *Vice-President.*
THE CHESAPEAKE AND POTOMAC TELEPHONE CO.,
By its president, MORRIS F. TYLER. [SEAL.]

Attest:

GEO. M. WOOD, *Secretary.*

[Form 113 D.]

CONTRACT FOR EXTRATERRITORIAL CONNECTING LINES.

This agreement, made this seventh day of February, A. D., 1885, by and between the American Bell Telephone Company, a corporation duly formed under the laws of Massachusetts, lessor and licensor, of the first part, and the Chesapeake and Potomac Telephone Company, a corporation created under the laws of the State of New York, lessee and licensee, of the second part, witnesseth:

1. Said licensee desires to obtain the right to use upon lines between telephonic exchange districts established or which may be established in the following described territory, viz, the State of Maryland and the District of Columbia, except lines between Washington, in the District of Columbia, and Baltimore, in the State of Maryland, by the most direct route between said places, telephones to be obtained from the lessor and under lease and license from it, under its two patents granted Alexander Graham Bell, No. 174465, dated March 7, 1876, and 186787, dated January 30, 1877, and under other patents which it may hereafter own or have the right to use, applicable thereto; and also to avail itself of and enjoy the rights of connecting with the exchange systems established within said territory, as provided and stipulated in favor of the lessor in its exchange contracts for those systems (copies of which stipulations have been furnished to the licensee, and the terms of which he is to conform to so far as they relate to business to be done hereunder), and of connecting with exchange systems which may hereafter be established in exchange districts in said territory, under contracts to be made by the lessor therefor, to contain stipulations substantially like those in the Lessor's Standard Form 109 C, a copy of which has been furnished by the lessee, and wishes to use, and allow others to use,

said lines for personal communication between persons in different exchange districts in said territory; now it is agreed:

2. Said second party shall, by the establishment of such lines, so far as it is authorized so to do by this contract, satisfy all reasonable demands of the public therefor, and shall be diligent to increase the number of its said lines.

The rights hereby granted to the lessee shall continue until the first day of January, 1887, and thereafter until terminated by the lessor and licensor by six (6) months' notice in writing given by depositing the same in the post-office at Boston, Massachusetts, prepaid and addressed to said second party.

3. The lessee may construct lines between exchanges in said territory, and may use such lines for telephonic personal communication between a customer in one such exchange district and a customer in another such exchange district, and not otherwise, except in connection with lines mentioned in Article 6 hereof, owned or specially licensed by the lessor, and by it designated for that purpose, and then only as and for the purposes expressed in said Article 6. The lessee shall not directly or indirectly connect its lines with any telephone or telegraph line or telephone exchange, except lines with which it has been by the lessor specially authorized to connect; nor deliver messages to be forwarded to destination by telegraph to any telegraph company, except such as may be specially designated by the lessor for that purpose, so far as it can lawfully control the same, or unless specially directed by a customer so to do (but it will not solicit such special direction nor receive and pay tolls over other lines unless compelled by law so to do).

For the purpose of establishing telephonic personal communication between customers as aforesaid, the lessee may have and exercise all the right to construct and operate telephone lines in said districts, and there maintain suitable offices and connect with exchange systems established or to be established, as aforesaid, which the lessor has reserved, and is or may be entitled to grant for extra-territorial connecting lines under licenses to exchanges made or to be made as aforesaid; but the lessee shall connect with each local exchange and do its business so far as the same can, in the opinion of the lessor, conveniently be so done with the customers thereof through said exchange, unless the American Bell Telephone Company or its successors shall decide that the exchange fails to furnish proper facilities. For the purpose of this contract an exchange district means a territory not to cover more than a single town or city, or a circle of fifteen miles' radius measured from a central point, which the licensor has included and covered or may hereafter include and cover in and by an exchange license.

4. The licensor, at its general office or factory, will deliver to the lessee as called for electric speaking telephones, made and to be used under its patents during the existence of the rights hereby granted and as herein set forth and permitted; and all telephones delivered to the lessee during the continuance hereof shall be deemed to be furnished hereunder, unless otherwise specially designated by the licensor. They will be of such character and pattern and bear such marks as the lessor shall from time to time determine, but the lessee may choose from among such standard patterns. Each of said telephones shall remain the property of the licensor, and is hereby leased, and the use of it is hereby licensed, for the purposes herein declared, for the term of one year from the day when rent and royalty begins to accrue on it, as herein provided; but the due payment thereof to the licensor, and the due performance of the stipulations hereof, during said year by the lessee and those using the telephone under it shall ipso facto operate to renew the lease and license for another year, and so on until the expiration, on notice as provided in article 2, or other determination hereof; in no case, however, beyond the term which may be fixed as provided in article 2. The licensee shall pay to the licensor a rental and royalty at the rate named below, to commence on each instrument on the first day of the second calendar month after its shipment by the licensor, to continue until the instrument shall be put into the possession of the licensor or proved to be destroyed, and to be paid in equal monthly payments, in advance, at the licensor's office, on the tenth day of each month up to the last day of the same month. Until otherwise fixed the rates shall be as follows:

	Per year.
Battery transmitter, each instrument	$10.00
Magneto-telephone, each instrument	10.00

Upon each instrument unlawfully detained from the lessor the lessee shall pay five dollars per month until satisfactory proof of its destruction be furnished, and five dollars for each lost or destroyed otherwise than by fire or inevitable accident, and shall also bear the expense of ordinary repairs; but said payments shall not confer any right to the instrument, nor to its use, nor satisfy any other breach of covenant, nor impair the right of the licensor to obtain possession of any instrument or lines.

5. The right and license hereby granted is the right and license to use said telephones to carry on personal communication, upon their own business, by and

between customers and their employees personally present at instruments in different exchange districts within the territory above described, over circuits composed exclusively of said authorized lines owned by the lessee and the lines of the exchange licensed by the licensor, and with which the licensee is authorized to connect as aforesaid, and between any such customer and a customer so using the telephone in a place with which the second party is not hereby authorized to connect, by means of such lines of the lessee, and other lines and instruments specially licensed by the licensor therefor; but the telephones furnished hereunder are not to be used to connect parties in the same exchange district, nor for the transmission of general business messages, market quotations, or news for sale or publication, in competition with the business of any telegraph company; and the lessee, so far as it can lawfully and properly prevent it, will not permit the same to be so used.

The term "general business messages" is defined to mean all communications in behalf of other parties than those who directly communicate by the telephone by themselves or their servants or agents personally present at the instruments, and no person engaged in the business of transmitting messages for other parties shall be authorized or knowingly allowed by the lessee, its servants or agents to transmit such messages through the telephone. The lessor will not furnish or license telephones to any other party to establish such personal communication between persons in different exchange districts, both of which are within said territory, while the rights of the lessee hereunder exist, except so far as the lessor's existing contracts with the Western Union Telegraph Company and with others may require it so to do, or as it may see fit so to do under contracts hereafter to be made for private, club, social, and other lines, substantially as defined it its standard form No. 116 B, but the lessee shall furnish sufficient general lines for general customers and special lines for individual or associated customers between exchange districts throughout said territory, and for the purposes aforesaid, at prices which shall be reasonable under the circumstances hereunder.

6. The lessor will license, to be used with such telephones, the inventions in call bells, switch boards, switches, and other apparatus needed for such telephone lines, which it can so license, upon such royalties as it may from time to time establish, not greater than those fixed for others under similar circumstances; but such call bells, switches, switch boards, and other apparatus shall be used only with telephones licensed by the lessor, and the lessee agrees not to use them otherwise, nor to dispose of them to anyone except to those so licensed, or to the licensed manufacturers of the lessor. The licensee may enjoy any rights of way and similar franchises to maintain said lines which the lessor can permit him to use, when and so long as, in the judgment of the lessor, it shall not interfere with the enjoyment thereof by the lessor or its other grantees, and shall pay whatever may be due to third persons, if anything, growing out of or in connection with such use by it. The lessor reserves the right to use telephones on lines passing over the routes or any or either of them of the lines hereby licensed, and connecting, with each other or with said exchanges, places with which the lessee is not hereby authorized to connect, for the purpose of establishing personal communication or transmitting messages between such places and between such places and said exchanges, and, to establish lines for that purpose, may enjoy any rights of the lessee to erect and maintain lines, and may string its wires on the poles of the lessee, paying therefor a pole rental of $4.00 per mile per annum for each wire.

The lessee will also allow the lessor to connect the wires of any such lines with its said lines in order to constitute thereby a through line, or which the lessee's lines, or any or either of them, or any part of either of them can form a portion or link, in order to forward through messages, will make or permit to be made convenient switch-board or other connections for that purpose; and as compensation therefor will take a share of the through toll (terminal expenses being first deducted) pro rata, according to distance, not greater than that customarily charged by it for like distances, and will also allow any telephone exchange, to be designated by the lessor, to connect with its lines for the purpose and substantially in the manner described in said standard Form 109 C. In respect of all communications originating on its lines, and which are to be forwarded over any other lines, the lessee shall require the customer or subscriber to bind himself by and make every message subject to such contracts, stipulations, and limitations or liability of such other lines as the licensor may from time to time require, in such form as it may from time to time prescribe, and will hold the lessor harmless from all loss or expense consequent upon its failure so to do.

7. The lessee admits the validity of all patents relating to telephony and telephonic appliances now or hereafter held by the licensor, or under which it may hold licenses exclusive in their character, and the validity of its title thereto, and will not dispute the same nor make, use, or be interested in any telephones or telephonic lines or business not licensed by the licensor or its assigns.

8. The lessee will pay to the exchanges established, or which may hereafter be

established, and with which it shall connect as aforesaid, such sums as such exchanges are or shall be entitled to receive under their exchange contracts, made or to be made, for making connections with extra-territorial lines; and the lessee will also pay to the lessor, in addition to said telephone rental and royalty and in consideration of the further rights and privileges hereby granted, fifteen (15) per cent of the lessee's gross receipts from subscriptions and tolls (which tolls shall not be less than at the rate of fifteen cents for the first ten miles or fraction thereof and five cents for each additional ten miles or fraction thereof, for a communication occupying not more than five minutes), and from other sources, after deducting for terminal expenses such sums as it may have to pay to the terminal exchange, not exceeding those chargeable under exchange contracts made or to be made by the licensor as aforesaid. Said payments are to be made to the lessor at his office on the tenth day of each month upon all receipts up to the first day thereof. The lessee shall keep full accounts of such receipts and payments, furnish copies thereof to the licensor upon request, and exhibit its original accounts and vouchers so far as may be proper to verify the same.

9. The lines to be built hereunder shall be sufficient and suitable for the purposes contemplated hereby.

10. The lessee may place the telephones furnished hereunder in its own offices for use by general customers, as herein stated and limited, or may place them under subleases and licenses in connection with its lines on the premises of subscribers or special customers for such uses. Such subleases and licenses shall, in such form as the licensor shall from time to time approve, express the title of the licensor to the telephone and the patents, the extent of the license hereby granted, the purposes for which the telephone may be used, that any other use of any telephone by any person, or nonpayment of the rental and royalty to the licensor, is an injury to and invasion of its rights as owner thereof and of the patent rights used therein and thereby, and entitling it to all rights and remedies in law and in equity, under the patent laws and as herein expressed otherwise, including the remedy by injunction against the person in possession thereof, and all others who have misused the same as aforesaid for any use not justified by a subsisting license, or for the violation of any other of its rights. It may also enforce against any such sublicense all rights and pursue all remedies given by and under such sublicense, and may use the name of the lessee for such purpose, or may require the lessee, at his own expense, to enforce the terms of such contracts.

11. If the lessee shall fail to make any of the payments herein stipulated when due, or shall fail to keep any of the terms hereof or of a certain agreement between the parties hereto, dated August 1st, 1883, and such default shall continue during a period of sixty days after written notice thereof from the lessor, or shall become bankrupt or insolvent, the licensor may, if it shall so elect, by a written notice to the lessee (or those in charge of any of its principal offices), terminate all rights granted by the licensor hereunder, and, by itself or those designated by it for the purpose, by due process of law or by actual entry, may, and shall be, entitled to repossess itself of the rights and privileges herein granted and thereafter use and enjoy the same, and especially may take possession of and remove said telephones or sever the wires to which they are connected and connect its own wires to said several wires, telephones, and apparatus, and use the same by itself and by those whom it may permit; or it may, so long as it shall see fit, leave in the enjoyment and use of the telephones any person in actual possession, and collect from him such sums as are or may become due for the use of the telephones, wires, and appliances used therewith, and for that purpose shall be entitled to and may take possession of all the lines, fixtures, apparatus, appliances, and premises of the lessee used for carrying on this business, and occupy and operate the same in connection with said telephones and other telephones connected or to be connected therewith, or connect such lines with offices of its own for that purpose.

The licensor shall have the like right upon or within three months after the termination of the rights of the licensee hereunder by efflux of time or otherwise, and may enforce this provision by an entry without being deemed guilty of any trespass, or by legal process, including an injunction to prevent any interference with the licensor and others permitted by it in the use of said telephones, lines, and apparatus. The property so taken and which does not belong to the lessor or revert to it hereunder may be returned within three months from the taking, in which case the lessor shall pay to the lessee a reasonable compensation for the use thereof, or the lessor may retain the same as its own property, and shall pay therefor a reasonable price, in no case exceeding the actual cost, within four months after the taking, and shall account to the lessee for all sums collected which accrued before the licensor became so entitled to possession, first deducting all expenses incident thereto, and all that may be due from the lessee to it. The lessor also reserves all its rights and remedies in law and in equity under the patent laws or otherwise, including the remedy by injunction against the lessee or those claiming under it, for the use of any

of its patented inventions or instruments not justified by a subsisting license hereunder, or for the violation of any other of its rights. The lessor may also use the name of the lessee to protect its interests and enforce its rights hereunder, and the lessee shall execute assignments in accordance herewith.

12. This contract is personal to the lessee herein named, and any assignment or attempt to assign the same or the lines established hereunder, or any or either of them, by act of the party or operation of law, without the written consent of the licensor, shall be a violation hereof, and good ground for a cancellation hereof by the licensor. The party of the second part covenants that he will keep and observe all the stipulations herein contained on his part to be kept and performed. Whenever the licensor grants to others the rights for exchanges or any of its rights under article 6 hereof or any other rights remaining to it, the stipulations hereof relating hereto shall be binding upon and inure to the benefit of such grantees, and the licensor shall not be responsible for their acts or default. If the licensor shall transfer to any party who shall agree to perform the stipulations thereof, its title to the telephones hereby leased, and the patent rights under which they are licensed, and its then existing rights hereunder, it is agreed that the provisions hereof inure to the benefit of and are binding upon such party in respect of all things done or to be done after such assignment, as if it were named a party, and that said American Bell Telephone Company shall no longer be responsible hereunder. Words herein referring to the party of the second part shall be taken to be of such number and gender as may be required.

13. Whereas certain lines covered by this license have already been built and business has been done over the same without license from said first party, now the second party shall pay to the first party the same share of subscriptions and tolls received from business heretofore done upon said lines as is herein provided to be paid for business done hereunder and the same rental and royalty upon instruments used therein as is herein provided for instruments furnished hereunder.

Signed on the day first above written, in duplicate.

THE AMERICAN BELL TELEPHONE COMPANY,
By its general manager, THEO. N. VAIL. [SEAL.]
CHARLES P. BOWDITCH, *Vice-President.*

Approved:

THE CHESAPEAKE AND POTOMAC TELEPHONE CO.,
By its president, MORRIS F. TYLER. [SEAL.]

Attest:

GEO. M. WOOD, *Secretary.*

[Form 113 C.]

CONTRACT FOR EXTRATERRITORIAL CONNECTING LINES.

This agreement, made this twenty-fifth day of March, A. D. 1886, by and between the American Bell Telephone Company, a corporation duly formed under the laws of Massachusetts, lessor and licensor, of the first part, and the Chesapeake and Potomac Telephone Company, a corporation created under the laws of the State of New York, lessee and licensee, of the second part, witnesseth:

1. Said licensee desires to obtain the right to use upon lines between Washington, in the District of Columbia, and a place known as the Brick Yards, in the State of Virginia, there to connect with lines of the Southern Bell Telephone and Telegraph Company, connecting with the exchange in the city of Alexandria, Virginia, telephones to be obtained from the lessor and under lease and license from it, under its two patents, granted Alexander Graham Bell, No. 174465, dated March 7, 1876, and 186787, dated January 30, 1877, and under other patents which it may hereafter own or have the right to use, applicable thereto; and also to avail itself of and enjoy the right of connecting with the exchange systems already established in any of said places, as provided and stipulated in favor of the lessor in its exchange contracts for those places (copies of which stipulations have been furnished to the licensee, and the terms of which he is to conform to so far as they relate to business to be done hereunder), and of connecting with exchange systems which may hereafter be established in any of said places or in exchange districts lying on the direct route between said places, under contracts to be made by the lessor therefor to contain stipulations, substantially, like those in the lessor's Standard Form 109 C, a copy of which has been furnished to the lessee, and wishes to use, and allow others to use, said lines for personal communication between said termini and said other places: Now it is agreed—

2. This contract shall take effect if, but not unless, the lessee shall, within three months from date, construct said line in a manner suitable for the purposes contemplated hereby.

The rights hereby granted to the lessee shall continue until terminated by the lessor and licensor by six (6) months' notice in writing, given by depositing the same in the post-office at Boston, Massachusetts, prepaid and addressed.

3. The lessee may construct lines along said described route and may use them for telephonic personal communication between a customer in one such exchange district or above-named place and a customer in another such exchange district or place, and not otherwise, except in connection with extra-route lines owned or specially licensed for the purpose by the licensor. The lessee shall not directly or indirectly connect its lines with any telephone or telegraph line or telephone exchange, except lines with which it has been by the lessor specially authorized to connect; nor deliver messages to be forwarded to destination by telegraph to any telegraph company, except such as may be specially designated by the lessor for that purpose, so far as it can lawfully control the same, or unless specially directed by a customer so to do (but it will not solicit such special direction nor receive and pay tolls over other lines unless compellable by law so to do).

For the purpose of establishing telephonic personal communication between customers as aforesaid, the lessee may have and exercise all the right to construct and operate telephone lines in said exchange districts, and there maintain suitable offices and connect with exchange systems established or to be established, as aforesaid, which the lessor has reserved and is or may be entitled to grant for extra-territorial connecting lines under licenses to exchanges made or to be made as aforesaid; but the lessee shall connect with each local exchange established, or which may be established, and do its business, so far as the same can, in the opinion of the lessor, conveniently be so done, with the customers thereof through said exchange, unless the American Bell Telephone Company or its successors shall decide that the exchange fails to furnish proper facilities. For the purpose of this contract an exchange district means a territory, not to cover more than a single town or city, or a circle of fifteen miles radius measured from a central point, which the licensor has included and covered or may hereafter include and cover in and by an exchange license

4. The licensor, at its general office or factory, will deliver to the lessee, as called for, electric speaking telephones, made and to be used under its patents during the existence of the rights hereby granted and as herein set forth and permitted; and all telephones delivered to the lessee during the continuance hereof shall be deemed to be furnished hereunder, unless otherwise specially designated by the licensor. They will be of such character and pattern and bear such marks as the lessor shall from time to time determine, but the lessee may choose, from among such, standard patterns. Each of said telephones shall remain the property of the licensor, and is hereby leased, and the use of it is hereby licensed for the purposes herein declared, for the term of one year from the day when rent and royalty begins to accrue on it, as herein provided; but the due payment thereof to the licensor, and the due performance of the stipulations hereof during said year by the lessee and those using the telephone under it, shall ipso facto operate to renew the lease and license for another year, and so on until the expiration on notice as provided in Article 2, or other determination hereof; in no case, however, beyond the term which may be fixed as provided in article 2. The licensee shall pay to the licensor a rental and royalty at the rates named below, to commence on each instrument on the first day of the second calendar month after its shipment by the licensor, to continue until the instrument shall be put into the possession of the licensor or proved to be destroyed, and to be paid in equal monthly payments, in advance, at the licensor's office, on the tenth day of each month up to the last day of the same month. Until otherwise fixed, the rates shall be as follows:

	Per year.
Battery transmitter, each instrument	$10.00
Magneto-telephone, each instrument	10.00

Upon each instrument unlawfully detained from the lessor, the lessee shall pay five dollars per month until satisfactory proof of its destruction be furnished, and five dollars for each lost or destroyed otherwise than by fire or inevitable accident, and shall also bear the expense of ordinary repairs; but said payments shall not confer any right to the instrument, nor to its use, nor satisfy any other breach of covenant, nor impair the right of the licensor to obtain possession of any instrument or lines.

5. The right and license hereby granted is the right and license to use said telephones to carry on personal communication, upon their own business, by and between customers and their employes personally present at instruments in different towns or exchange districts above named, over circuits composed exclusively of said authorized lines owned by the lessee and the lines of the exchange licensed by the licensor and with which the licensee is authorized to connect as aforesaid, and between any such customer and a customer so using the telephone in an extra-route place by means of such lines of the lessee and other lines and instruments speciall

licensed by the licensor therefor; but the telephones furnished hereunder are not to be used to connect parties in the same town or exchange district, nor to connect persons in different towns which may hereafter be included in one exchange district after the same have been so included, nor for the transmission of general business messages, market quotations, or news for sale or publication, in competition with the business of any telegraph company, and the lessee, so far as it can lawfully and properly prevent it, will not permit the same to be so used.

The term "general business messages" is defined to mean all communications in behalf of other parties than those who directly communicate by the telephone by themselves or their servants or agents personally present at the instruments, and no person engaged in the business of transmitting messages for other parties shall be authorized or knowingly allowed by the lessee, its servants or agents, to transmit such messages through the telephone. The lessor will not furnish or license telephones to any other to establish such personal communication by said route between persons in one of said places or exchange districts with persons in another of said places or exchange districts while the rights of the lessee hereunder exist, except so far as the lessor's existing contracts with the Western Union Telegraph Company, and with others, may require it so to do, or as it may see fit so to do under contracts hereafter to be made for exchange, private, club, social, and other lines substantially as defined in its standard form Nos. 109 C and 116 C; but the lessee shall furnish sufficient general lines for general customers and special lines for individual or associated customers over said route and for the purposes aforesaid at prices which shall be reasonable under the circumstances hereunder.

6. The lessor will license, to be used with such telephones, the inventions in call bells, switches, switch boards, and other apparatus needed for such telephone lines, which it can so license, upon such royalties as it may from time to time establish, not greater than those fixed for others under similar circumstances; but such call bells, switches, switch boards, and other apparatus shall be used only with telephones licensed by the lessor; and the lessee agrees not to use them otherwise, nor to dispose of them to anyone except those so licensed, or to the licensed manufacturers of the lessor. The licensee may enjoy any rights of way and similar franchises to maintain said lines which the lessor can permit him to use when and so long as, in the judgment of the lessor, it shall not interfere with the enjoyment thereof by the lessor or its other grantees, and shall pay whatever may be due to third persons, if anything, growing out of or in connection with such use by it. The lessor reserves the right to use telephones on lines passing over said route, either terminus of which is beyond or off of said route, for the purpose of establishing personal communication or transmitting messages between any such point and any point within or without the route licensed, and, to establish lines for that purpose, may enjoy any rights of the lessee to erect and maintain lines, and may string its wires on the poles of the lessee, paying therefor a pole rental of $4 per mile per annum for each wire.

The lessee will allow the lessor to connect any other wires with its said lines in order to constitute thereby a through line, of which at least one terminus shall be beyond or off of said route and of which the lessee's line can form a portion or link, in order to forward through messages, which make or permit to be made convenient switch board or other connections for that purpose, and as compensation therefor will take a share of the through toll (terminal expenses being first deducted) pro rata according to distance, not greater than that customarily charged by it for like distances, and will also allow any telephone exchange to be designated by the lessor to connect with its lines for the purpose and substantially in the manner described in the lessor's standard Forms 109 B, 109 C. In respect of all communications originating on its lines and which are to be forwarded over any other lines, the lessee shall require the customer or subscriber to bind himself by and make every message subject to such contracts, stipulations, and limitations of liability of such other lines as the licensor may from time to time require, in such form as it may from time to time prescribe, and will hold the lessor harmless from all loss or expense consequent upon its failure so to do.

7. The lessee admits the validity of all patents relating to telephony and telephonic appliances, now or hereafter held by the licensor, or under which it may hold licenses exclusive in their character and the validity of its title thereto, and will not dispute the same, nor make, use, or be interested in any telephones or telephonic lines or business not licensed by the licensor or its assigns.

8. The lessee will pay to the exchanges established or which may hereafter be established, and with which it shall connect as aforesaid, such sums as such exchanges are or shall be entitled to receive under their exchange contracts made or to be made for making connections with extra-territorial lines. And the lessee will also pay to the lessor, in addition to said telephone rental and royalty, and in consideration of the further rights and privileges hereby granted, fifteen (15) per cent of the lessee's gross receipts from subscriptions and tolls (which tolls shall not be less than at the rate of fifteen cents for the first ten miles or fraction thereof and five cents for each

additional ten miles or fraction thereof for a communication occupying not more than five minutes) and from other sources, after deducting for terminal expenses such sums as it may have to pay to the terminal exchange, not exceeding those chargeable under exchange contracts made or to be made by the licensor as aforesaid. Said payments are to be made to the lessor at its office on the tenth day of each month upon all receipts up to the first day thereof. The lessee shall keep full accounts of such receipts and payments, furnish copies thereof to the licensor upon request, and exhibit its original accounts and vouchers so far as may be proper to verify the same.

9. The lessee may place the telephones furnished hereunder in its own offices, for use by general customers, as herein stated and limited, or may place them under subleases and licenses in connection with its lines, on the premises of subscribers or special customers for such uses. Such subleases and licenses shall, in such form as the licensor shall from time to time approve, express the title of the licensor to the telephone and the patents, the extent of the license hereby granted, the purposes for which the telephone may be used, that any other use of any telephone by any person, or nonpayment of the rental and royalty to the licensor, is an injury to and invasion of its rights as owner thereof and of the patent rights used therein and thereby, and entitling it to all rights and remedies in law and in equity, under the patent laws and as herein expressed otherwise, including the remedy by injunction against the person in possession thereof, and all others who have misused the same as aforesaid for any use not justified by a subsisting license, or for the violation of any of its rights. It may also enforce against such sublicensee all rights and pursue all remedies given by and under such sublicense, and may use the name of the lessee for such purpose, or may require the lessee, at his own expense, to enforce the terms of such contracts.

10. If the lessee shall fail to make any of the payments herein stipulated when due, or shall fail to keep any of the terms hereof, or of a certain agreement between the parties hereto dated August 1st, 1883, and such default shall continue during a period of sixty days after written notice thereof from the lessor, or shall become bankrupt or insolvent, the licensor may, if it shall so elect, by a written notice to the lessee (or those in charge of any of its principal offices), terminate all rights granted by the licensor hereunder, and by itself or those designated by it for the purpose, by due process of law or by actual entry, may, and shall, be entitled to repossess itself of the rights and privileges herein granted, and thereafter use and enjoy the same, and especially may take possession of and remove said telephones, or sever the wires to which they are connected, and connect its own wires to said several wires, telephones, and apparatus, and use the same by itself and those whom it may permit; or it may, so long as it shall see fit, leave in the enjoyment and use of the telephones any person in actual possession, and collect from him such sums as are or may become due for the use of the telephones, wires, and appliances used therewith, and for that purpose shall be entitled to and may take possession of all the lines, fixtures, apparatus, appliances, and premises of the lessee used for carrying on this business, and occupy and operate the same in conection with said telephones and other telephones connected or to be connected therewith, or connect such lines with offices of its own for that purpose.

The licensor shall have the like right upon or within three months after the termination of the rights of the licensee hereunder by efflux of time or otherwise, and may enforce this provision by an entry without being deemed guilty of any trespass, or by legal process, including an injunction to prevent any interference with the licensor and others permitted by it in the use of said telephones, lines, and apparatus. The property so taken and which does not belong to the lessor or revert to it hereunder may be returned within three months from the taking, in which case the lessor shall pay to the lessee a reasonable compensation for the use thereof, or the lessor may retain the same as its own property, and shall pay therefor a reasonable price, in no case exceeding the actual cost, within four months after the taking, and shall account to the lessee for all sums collected which accrued before the licensor became so entitled to possession, first deducting all expenses incident thereto and all that may be due from the lessee to it. The lessor also reserves all its rights and remedies in law and in equity under the patent laws or otherwise, including the remedy by injunction against the lessee or those claiming under it, for the use of any of its patented inventions or instruments not justified by a subsisting license hereunder or for the violation of any other of its rights. The lessor may also use the name of the lessee to protect its interests and enforce its rights hereunder, and the lessee shall execute assignments in accordance herewith.

11. This contract is personal to the lessee herein named, and any assignment or attempt to assign the same or the lines established hereunder by act of the party or operation of law, without the written consent of the licensor, shall be a violation hereof and good ground for a cancellation hereof by the licensor. The party of the second part covenants that he will keep and observe all the stipulations herein contained on his part to be kept and performed. Whenever the licensor grants to others

the rights for exchanges or extra-route lines or any other rights remaining to it, the stipulations hereof relating thereto shall be binding upon and enure to the benefit of such grantees, and the licensor shall not be responsible for their acts or defaults. If the licensor shall transfer to any party who shall agree to perform the stipulations thereof its title to the telephones hereby leased, and the patent rights under which they are licensed, and its then existing rights hereunder, it is agreed that the provisions hereof enure to the benefit of and are binding upon such party in respect of all things done or to be done after such assignment, as if it were named a party, and that said American Bell Telephone Company shall no longer be responsible hereunder. Words herein referring to the party of the second part shall be taken to be of such number as may be required.

Signed on the day first above written, in duplicate.

THE AMERICAN BELL TELEPHONE COMPANY,
By its general manager, JOHN E. HUDSON. [SEAL.]

Approved by—

CHARLES P. BOWDITCH, *Vice-President.*

THE CHESAPEAKE AND POTOMAC TELEPHONE CO.,
By MORRIS F. TYLER, *President.* [SEAL.]

Attest:

CHAS. G. BEEBE, *Secretary.*

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
Washington, D. C., ——— ———, *189*—.

Dividends paid on the Washington, D. C., proportion of capital stock of the Chesapeake and Potomac Telephone Company held by the American Bell Telephone Company since the organization of the company, July 3, 1883.

Year.	Shares.	Rate.	Amount of dividend.	Waived.	Amount paid.
		Per cent.			
1883	4,739	1½	$7,108.50	$4,614.53	$2,493.97
1884	4,739	3	14,217.00	7,382.27	6,834.73
1884	168	None.			None.
1885	4,872	None.			None.
1886	4,516	3½	15,806.00	784.17	15,021.83
1887	4,271	5			21,355.00
1888	4,269	5			21,345.00
1889	4,268	5			21,340.00
1890	4,268	3½			14,938.00
1891	4,268	3			12,804.00
1892	4,262	2½			10,655.00
1893	4,264	2			8,528.00
1894	4,269	2			8,538.00
1895	4,269	2			8,538.00
1896	4,269	3			12,807.00
1897	4,269	4			17,076.00
Total paid					182,274.53

Average amount per annum paid	$12,570.66
	Per cent.
Average rate of dividend paid A. B. T. Co	2.875
Average rate of dividend paid general stockholders	3.1

Statement of rentals and royalties paid the American Bell Telephone Company by the Chesapeake and Potomac Telephone Company on account of business done in the District of Columbia from 1891 to 1897, inclusive.

	Instrument rental, exchange.	Instrument rental, private line.	Proportion of extra-territorial receipts.	Proportion of telegraph commissions.	Total.
1891	$20,404.96	$3,420.00	$567.08	$19.65	$24,411.69
1892	21,006.81	3,809.07	281.28	64.57	25,161.73
1893	22,192.19	3,902.42	243.77	56.33	26,394.71
1894	16,231.74	1,666.64	692.94	15.92	18,607.24
1895	12,051.74	1,213.35	818.57	24.53	14,108.19
1896	12,092.07	1,054.38	902.43	23.45	14,072.33
1897	12,775.71	1,084.74	1,038.02	34.61	14,933.08
Total	116,755.22	16,150.60	4,544.09	239.06	137,688.97

WASHINGTON, D. C., *March 22, 1898.*

MR. SAMUEL M. BRYAN,
President Chesapeake and Potomac Telephone Company,
Washington, D. C.

DEAR SIR: In addition to the information heretofore requested of you, I have the honor to ask that you will, at your earliest possible convenience, furnish for the information of the committee of the House of Representatives charged with the investigation of rates for the use of telephones in the District of Columbia the following:

1. A statement showing, under proper heads of expenditure, the amount of cash expended by your company for actual construction of telephone plant in the District of Columbia during each year from the organization of the company to the present time.

2. From what sources did the cash so expended come; that is to say, how much was contributed out of the cash subscribed for stock, how much from proceeds of bonds issued, and how much out of the earnings made from operations? Give in detail the dates and amounts of such receipts.

3. A statement showing the capital stock outstanding, representing the District of Columbia plant, setting forth the consideration given for such stock, the date or dates when issued, the amount of money actually paid to the company on each share, the total amount of money received for the stock issued; if paid in installments, the date of each call, and the percentage of subscriptions called for in each call; if any stock was issued for which other consideration than money was actually received, state the amounts so issued, for what consideration, and to whom it was issued, with the dates of such issues; if issued for the rights, franchises, privileges, or physical property of any other person or company, state of what those rights, franchises, privileges, and physical property consisted, and give the valuation placed upon each of those items at the time they were acquired, as shown by your books.

4. A statement showing the amount of dividends paid annually and in the aggregate to date, to stockholders, on stock representing the District of Columbia plant.

5. A statement applying to the business of your company in the District of Columbia, of earnings and expenses for each of the last six years, showing the earnings, divided under heads, giving various rates charged and number of telephones under each head, and said earnings classified; and showing expenses under the various heads as classified on the company's books, including rentals, royalties, and license fees paid.

6. A statement showing the amount of the surplus account of your company growing out of business done in the District of Columbia, giving in detail the credits and charges to said account during each year from the organization of said company to the present time.

7. Furnish copies of all annual reports made to stockholders, showing business done, receipts and outlays, dividends, and surplus since the organization of the company.

8. State the number of persons now employed in any capacity by the Chesapeake and Potomac Telephone Company, from the highest officer to the lowest-priced laborer, with a general statement of the nature of the employment of each and the compensation paid to each.

9. State the number of telephones used in the District of Columbia by the United States Government and the number used by the government of the District of Columbia; and the annual charge for such telephones to the United States Government and to the government of the District of Columbia.

In your reply of March 17 to inquiry No. 4 contained in the committee's letter of the 9th instant, you fail to state the terms of the reorganization or merger of the National Telephone Exchange into the Chesapeake and Potomac Telephone Company, or to comply with their request for a copy of any and all contracts, assignments, and conveyances incident to said reorganization or merger. The committee again request at your earliest possible convenience the said information.

Very respectfully,

MAHLON PITNEY, *Acting Chairman, etc.*

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
Washington, D. C., April 7, 1898.

Hon. MAHLON PITNEY,
Acting Chairman Select Committee, House of Representatives, Charged with Making Inquiries Concerning Telephone Rates in District of Columbia.

DEAR SIR: Referring to your letter of the 22d ultimo, in which you request certain information in relation to the investigation you are now engaged in, I now have the honor to make response by submitting the following:

In response to your question No. 1, a statement showing under proper heads of

expenditure the amount of cash expended by the Chesapeake and Potomac Telephone Company for actual construction of telephone plant in the District of Columbia during each year from the organization of the company to the present time.

In response to your question No. 2, a statement showing from what sources the cash so expended came; that is to say, how much was contributed out of cash subscribed for stock, how much from proceeds of bonds issued, and how much out of the earnings made from operations, giving in detail the dates and amounts of such receipts.

In response to your question No. 3, a statement showing the capital stock outstanding, representing the District of Columbia plant, setting forth the consideration given for such stock, the date or dates when issued, the amount of money actually paid to the company, other considerations than money received for stock issued, value of franchises, licenses, rights of way, etc.

In response to your question No. 4, a statement of the dividends paid annually, and in the aggregate to date, to stockholders on stock representing the District of Columbia plant.

In response to your question No. 5, a statement, applying to the business of this company in the District of Columbia, of earnings and expenses for each of the last four years, showing the earnings, divided under heads and classified; and showing expenses under the various heads as classified on the company's books, including rentals, royalties, and license fees paid. As to that portion of your question No. 5 which relates to rates for telephones and the number of instruments under each rate, I beg to state that it is impracticable to give this for any particular length of time. We can give it as of December 31, 1895, 1896, or 1897, and perhaps for other periods; but inasmuch as the number of instruments and the rates applied to each are constantly changing, it is impossible to make reply unless the question is put in different form. The statement furnished herewith in answer to question No. 5 is made for four years instead of for six years, because of the large amount of labor entailed in the preparation of the answer, and upon the assumption that all the purposes you have in view may be sufficiently subserved thereby. If so desired, and the time is afforded, the statement will be so revised as to incorporate the years 1892 and 1893.

In response to your question No. 6, a statement showing the amount of the surplus account of this company growing out of business done in the District of Columbia for the years 1891 to 1897, inclusive. This statement is made from the year 1891 (seven years) for the reason that it is found impracticable to go anterior to this, inasmuch as the accounts of the District of Columbia and Maryland business, prior to that time, were not segregated in such way as to afford data upon which to base the information you ask.

In response to your question No. 7, a statement showing the figures contained in the annual reports made to stockholders for each year from 1886 to 1897, inclusive.

In response to your question No. 8, a statement of the persons now employed in any capacity by the Chesapeake and Potomac Telephone Company, from the highest officer to the lowest-priced laborer, in connection with its business in the District of Columbia, with a general statement of the nature of the employment of each and the compensation paid to each.

In response to your question No. 9, I beg to state that there are now in use by the United States Government in the District of Columbia 443 telephones, for which this company receives $30,132.37 per annum; and that there are in use by the District government in the District of Columbia 273 telephones, for which this company receives $3,460.75 per annum.

In the last paragraph of your letter you refer to the fact that in my reply to Chairman Grout, under date of March 17 last, I failed to respond to that part of inquiry No. 4, in the committee's letter of the 9th ultimo, relating to the terms of reorganization or merger of the National Telephone Company into the Chesapeake and Potomac Telephone Company, or to comply with the request for copies of all contracts, assignments, and conveyances incident to such reorganization. In response, I now beg to say that these papers were included in the papers submitted with my letter of transmission under date of the 5th instant.

I have the honor to be, sir, yours, very respectfully,

SAML. M. BRYAN,
President and General Manager.

Question No. 1. "A statement showing, under proper heads of expenditure, the amount of cash expended by the Chesapeake and Potomac Telephone Company for actual construction of telephone plant in the District of Columbia, during each year from the organization of the company to the present time."

For eleven months, from August 1, 1883, to June 30, 1884:		
General construction	$18,000.24	
Underground construction	16,288.05	
Multiple switch board	5,935.09	
Washington and Baltimore line, $3,882.83; Washington proportion, one-half	1,941.42	
Alexandria line	5.00	
Office furniture and fixtures	391.40	
Total		$42,561.20
For nine months, from July 1, 1884, to March 31, 1885:		
General construction	8,407.51	
General construction, Georgetown	287.78	
General construction, north E street	354.37	
General construction, south E street	964.38	
General construction, Mount Pleasant	146.97	
Underground, east division	40,813.86	
Multiple switch board	8.00	
Office furniture and fixtures	272.61	
Total		51,255.48
For nine months, from April 1, 1885, to December 31, 1885:		
General construction	4,394.40	
General construction, Georgetown	61.28	
General construction, north E street	417.47	
Underground, east division	3,238.81	
Underground, west division	11,777.43	
Underground, south division	1,103.45	
Underground, north division	6,681.44	
Rockville line	54.00	
Postal wire line, Washington to Baltimore, $14,164.50; Washington proportion, one-half	7,082.25	
Office furniture and fixtures	150.04	
Total		34,960.57
For year ended December 31, 1886:		
General construction	6,457.20	
Underground, north division	31.50	
Underground, south division	15,289.51	
Alexandria line	794.45	
Office furniture and fixtures	8.83	
Total		22,581.49
For year ended December 31, 1887:		
General construction	11,206.74	
Office furniture and fixtures	1,493.77	
Total		12,700.51
For year ended December 31, 1888:		
General construction	9,360.10	
Office furniture and fixtures	83.38	
Total		9,443.48
For year ended December 31, 1889:		
General construction	5,467.84	
Underground construction	1,081.71	
Office furniture and fixtures	145.14	
Total		6,694.69
For year ended December 31, 1890:		
General construction	9,479.93	
Switch boards	2,311.03	
Cable construction	1,746.50	
Underground construction	349.15	
Office furniture and fixtures	33.42	
Total		13,920.03

For year ended December 31, 1891:		
Underground construction	$3,166.82	
Underground conduit construction	91,040.27	
Aerial construction	3,590.66	
Switchboards	387.15	
Equipment	1,143.24	
Total		$99,328.14
For year ended December 31, 1892:		
Aerial construction	4,157.64	
Underground cable construction	10,386.40	
Conduit construction	53,490.70	
Switchboards	3,515.36	
Equipment	2,590.41	
Total		74,140.51
For year ended December 31, 1893:		
Underground cable construction	9,326.01	
Equipment	1,839.04	
Total		11,165.05
For year ended December 31, 1894:		
Aerial construction	2,633.87	
Underground cable construction	20,117.92	
Underground conduit construction	5,374.98	
Equipment	18,714.67	
Total		46,841.44
For year ended December 31, 1895:		
Aerial	436.47	
Underground conduit construction	349.80	
Underground cable construction	194.34	
Equipment	1,525.42	
Toll line, Rockville	1,679.01	
Total		4,185.04
For year ended December 31, 1896:		
Underground conduit construction	2.25	
Underground cable construction	5,366.72	
Aerial construction (Cr.)	789.68	
Toll lines, Rockville and Baltimore	2,482.08	
Equipment	891.96	
Total		7,953.33
For year ended December 31, 1897:		
Equipment		9,364.36
Total		447,095.32
Less amount received October 30, 1895, from the Metropolitan Railroad Company for cost of underground conduit; action necessitated by their change of motive power		5,668.77
Net amount expended by the Chesapeake and Potomac Telephone Company for actual construction of telphone plant in the District of Columbia from August 1, 1883, to December 31, 1897		441,426.55
Amount expended for real estate in the District of Columbia from December, 1890, to December 31, 1897		36,154.39
Total construction expenses to December 31, 1897		477,580.94

Question No. 2. "From what sources did the cash so expended come—that is to say, how much was contributed out of cash subscribed for stock, how much for proceeds of bonds issued, and how much out of the earnings made from operations? Give in detail the dates and amounts of such receipts."

August 1, 1893:	
From the original issue of $750,000 of capital stock there was realized cash and cash assets	$77,234.93
June 9 and 10, 1894:	
Amount contributed out of proceeds of sale of mortgage bonds, $360,000; Washington proportion, two-fifths ($400,000 of bonds sold at 90 per cent, the discount, $40,000, was charged to the surplus account)	144,000.00

December 23, 1897:

Amount contributed out of proceeds of sale of mortgage bonds, $103,000; Washington proportion, two-fifths ($100,000 of bonds sold at 103 per cent, the premium, $3,000, was credited to surplus account)	$41,200.00
Amount contributed out of earnings of the company	215,146.01
Total	477,580.94

Question No. 3. "A statement showing the capital stock outstanding, representing the District of Columbia plant, setting forth the consideration given for such stock, the date or dates when issued, the amount of money actually paid to the company on each share, the total amount of money received for the stock issued, if paid in installments, the date of each call, and the percentage of subscriptions called for in each call. If any stock was issued for which other consideration than money was actually received, state the amount so issued, for what consideration, and to whom it was issued, with the dates of such issues; if issued for the rights, franchises, privileges, or physical property of any other person or company, state of what those rights, franchises, privileges, and physical property consisted, and give the valuation placed upon each of those items at the time they were acquired, as shown by your books."

Seven hundred and fifty thousand dollars, issued August 1, 1883, for the following consideration:

Cash	$79,601.79
Accounts receivable	9,128.22
Supplies	3,618.24
Stock National Fair Association, 1 share	100.00
	92,448.25
Less accounts payable	15,113.32
Net cash assets	77,334.93
Cost of actual construction of plant prior to August 1, 1883, valued at $118,580.40 on old company's books	91,130.21
Franchises, licenses, right of way, etc., valued at $425,160.21 on old company's books	581,534.86
Total	750,000.00

Dividends paid on Washington, D. C., proportion of capital stock of the Chesapeake and Potomac Telephone Company, since organization of company, July 3, 1883.

[7,500 shares, at $100 each, $750,000.]

Year.	Rate.	Amount dividend.	Waived.	Amount paid.
	Per cent.			
1883	1½	$11,250.00	$4,998.60	$6,251.40
1884	3	22,500.00	7,872.15	14,627.85
1885	None.			None.
1886	3½	26,250.00	785.80	25,464.20
1887	5			37,500.00
1888	5			37,000.00
1889	5			37,000.00
1890	3½			26,250.00
1891				22,500.00
1892	2½			18,750.00
1893	2			15,000.00
1894	2			15,000.00
1895	2			15,000.00
1896	3			22,500.00
1897	4			30,000.00
Total dividends paid in 14½ years				323,843.00

Total percentage of payments to capital stock	43.179
An average percentage per year of	2.978

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY—WASHINGTON PLANT.

Statement of earnings and expenses for the four years ended December 31, 1897.

	For year ended December 31—				Total for four years.	Average per annum.
	1894.	1895.	1896.	1897.		
EARNINGS.						
Rentals from exchange subscriptions	$176,835.84	$178,772.67	$177,540.27	$178,254.78	$711,403.56	$177,850.89
Receipts from local pay stations	.....	296.50	843.94	9,946.97	11,087.41	2,771.85
Commissions on long-distance business	692.94	173.36	374.40	679.32	1,920.02	480.00
Commissions on messages collected for the Western Union Telegraph Co	34.75	48.80	46.88	69.23	199.66	49.92
Receipts from toll service	.....	106.20	288.05	836.80	1,231.05	307.76
Extra-territorial revenue	5,065.10	6,487.37	6,942.51	7,907.98	26,402.96	6,600.74
Private line rentals	7,544.37	5,304.62	5,149.89	5,857.95	23,856.83	5,964.21
Messenger service	.....	14.35	11.10	16.35	41.80	10.45
Real estate	.....	300.00	365.00	35.00	700.00	175.00
Commissions on messages distributed for the Western Union Telegraph Co	.....	.....	12.70	22.57	35.27	8.82
Loop rentals, care batteries, etc., for the American Telephone and Telegraph Co	596.67	611.48	921.76	1,029.56	3,159.47	789.87
Rental of attachments on poles and underground conduits	.....	.....	278.98	122.63	401.61	100.40
Moving telephones	1,175.10	707.95	732.71	624.84	3,240.60	810.15
Profit on labor and material sold	344.83	1,296.27	562.13	1,013.66	3,216.89	804.22
Total gross earnings	192,289.60	194,119.57	194,070.32	206,417.64	786,897.13	196,724.28
Maintenance:						
Salaries and wages	20,787.82	22,031.63	28,231.48	47,454.18	118,505.11	29,626.28
Rent, light, and heat	1,238.83	1,356.33	1,367.07	1,580.02	5,542.25	1,385.56
Material	25,181.77	12,473.30	19,100.08	53,710.79	110,415.94	27,603.99
Traveling	1,521.60	1,376.69	1,999.90	1,876.93	6,775.12	1,693.78
Conduit, pole, and roof rental	138.66	a172.39	273.17	437.14	676.58	169.14
Insurance	293.50	205.00	208.00	307.50	1,014.00	253.50
Damage and compensation	143.25	115.85	313.48	216.38	788.96	197.24
Incidental	1,839.51	1,413.86	455.67	563.66	4,272.70	1,068.17
Total maintenance expenses	51,094.94	38,800.27	51,948.85	106,146.60	247,990.66	61,997.66
Operating:						
Salaries and wages	13,423.79	13,490.60	12,952.34	14,215.35	54,382.08	13,595.52
Rent, light, and heat	2,199.45	2,254.58	2,127.42	2,314.92	8,896.37	2,224.09
Incidental	739.28	511.91	355.74	519.55	2,126.48	531.62
Total operating expenses	16,662.52	16,257.09	15,435.50	17,049.82	65,404.93	16,351.23
General:						
Salaries and wages	14,166.58	11,443.62	10,953.74	11,707.09	48,271.03	12,067.76
Rent, light, and heat	1,216.99	855.70	768.42	855.15	3,696.26	924.07
Real estate	770.73	168.20	122.13	147.77	1,208.83	302.21
Traveling	1,641.23	1,196.20	1,372.11	1,363.94	5,573.48	1,393.37
Postage, printing, and stationery	1,718.05	2,045.40	2,244.01	2,386.32	8,393.78	2,098.44
Legal	2,096.37	1,099.14	2,285.51	9,072.17	14,553.19	3,638.30
Incidental	1,787.25	1,951.99	955.75	1,954.54	6,649.53	1,662.38
Total general expenses	23,397.20	18,760.25	18,701.67	27,486.98	88,346.10	22,086.53

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Statement of earnings and expenses for the four years ended December 31, 1897—Cont'd.

	For year ended December 31—				Total for four years.	Average per annum.
	1894.	1895.	1896.	1897.		
EARNINGS—continued.						
Rentals and royalties:						
Instrument rental, American Bell Telephone Company, exchange	$16,231.74	$12,051.74	$12,092.07	$12,775.71	$53,151.26	$13,287.81
Instrument rental, American Bell Telephone Company, private line	1,666.64	1,213.35	1,054.38	1,084.74	5,019.11	1,254.78
Royalty on extra-territorial business	692.94	818.57	902.43	1,038.02	3,451.96	862.99
Royalty on messages handled for the Western Union Telegraph Company	15.92	24.53	23.45	34.61	98.51	24.63
Royalty on switch board	1,609.33	1,710.66	1,672.67	1,717.17	6,710.33	1,677.58
Total rentals and royalties:						
10.51 per cent of total gross earnings	20,217.07					
8.15 per cent of total gross earnings		15,818.85				
8.11 per cent of total gross earnings			15,745.00			
8.06 per cent of total gross earnings				16,650.25		
8.70 per cent of total gross earnings					68,431.17	
8.70 per cent of total gross earnings						17,107.79
Total expenses	111,371.73	89,636.46	101,831.02	167,333.65	470,172.86	117,543.21
Taxes	300.00	300.00	304.16	330.55	1,234.71	308.68
Total expenses and taxes	111,671.73	89,936.46	102,135.18	167,664.20	471,407.57	117,851.89
Net earnings	80,617.87	104,183.11	91,935.14	38,753.44	315,489.56	78,872.39
Per cent of expenses and taxes to total gross earnings	58.07	46.33	52.63	81.22	59.91	59.91

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY.

Statement of the surplus account resulting from the business of the Washington plant for the years 1891 to 1897, inclusive.

1891. Earnings and miscellaneous income			$157,851.52
Expenses	$107,703.92		
Dividends	22,500.00		
		130,203.92	
Surplus for year 1891			$27,647.60

1892.	Earnings and miscellaneous income		$180,033.76	
	Expenses	$107,026.33		
	Dividends	15,000.00		
			122,026.33	
	Surplus for year 1892			$58,007.43
1893.	Earnings and miscellaneous income		195,535.94	
	Expenses	120,445.86		
	Dividends	18,750.00		
			139,195.86	
	Surplus for year 1893			56,340.08
1894.	Earnings and miscellaneous income		192,289.60	
	Expenses	129,045.89		
	Depreciation	24,597.33		
	Dividends	15,000.00		
			168,643.22	
	Surplus for year 1894			23,646.38
1895.	Earnings and miscellaneous income		194,119.57	
	Expenses	108,102.75		
	Depreciation	20,251.20		
	Dividends	15,000.00		
			143,353.95	
	Surplus for year 1895			50,765.62
1896.	Earnings and miscellaneous income		194,126.06	
	Expenses	121,794.34		
	Depreciation	9,012.75		
	Dividends	22,500.00		
			153,307.09	
	Surplus for year 1896			40,818.97
1897.	Earnings and miscellaneous income		207,617.64	
	Expenses	186,616.79		
	Dividends	30,000.00		
			216,616.79	
	Deficit for year 1897			8,999.15
	Total surplus for seven years, 1891 to 1897, inclusive			248,226.93

Statement showing the figures contained in annual reports made to stockholders for each year from 1886 to 1897, inclusive.

	1886.	1887.	1888.	1889.	1890.	1891.
Total revenue	$300,051.14	$335,079.59	$359,372.47	$371,544.49	$395,614.29	$418,942.12
Total expense	145,434.17	173,605.30	201,378.21	192,816.40	270,619.58	302,637.28
Net revenue	154,616.97	161,474.29	157,994.26	178,728.09	124,994.71	116,304.84
Dividends	89,979.50	132,500.00	132,500.00	132,500.00	92,750.00	79,500.00
Surplus	64,637.47	28,974.29	25,494.26	46,228.09	32,244.71	36,804.84

	1892.	1893.	1894.	1895.	1896.	1897.
Total revenue	$440,624.72	$465,130.47	$463,934.64	$490,273.32	$508,217.68	$531,471.88
Total expense	333,701.84	347,962.90	354,304.31	369,848.79	393,202.40	406,889.39
Net revenue	106,922.88	117,167.57	109,630.33	120,424.53	115,015.28	124,582.49
Dividends	66,250.00	53,000.00	53,000.00	53,000.00	79,500.00	106,000.00
Surplus	40,672.88	64,167.57	56,630.33	67,424.53	35,515.28	18,582.49

In making this statement it was not thought well to go back of 1886, because, previous to that there were broken years, inasmuch as there were two changes in the fiscal year of the company, and it was not until 1886 that we decided to make the fiscal year the same as the calendar year.

Number of persons in the employ, in any capacity, of the Chesapeake and Potomac Telephone Company, in connection with its business in the District of Columbia, from the highest officer to the lowest-priced laborer, with a general statement of the nature of the employment of each and the compensation paid to each, in answer to question 8 in a letter of the committee dated March 22, 1898.

Samuel M. Bryan, president and general manager, $8,000 per annum	$8,000.00
Vincent A. Hubbard, secretary to president and general manager, $1,500 per annum	1,500.00
W. P. Marsh, stenographer, $50 per month	600.00
Charles G. Beebe, treasurer, $3,000 per annum	3,000.00
Ira Howard Fill, clerk, $1,200 per annum	1,200.00
H. W. Upperman, secretary and purchasing agent, $2,100 per annum	2,100.00
Henry D. Gasson, clerk, $600 per annum	600.00
Julius E. De Saules, acting auditor, $1,500 per annum	1,500.00
Irby W. Reid, clerk, $900 per annum	900.00
John W. Dyer, clerk, $800 per annum	800.00
Augustine Kenner, clerk, $800 per annum	800.00
Charles L. Glover, clerk, $700 per annum	700.00
Charles H. Coons, clerk, $50 per month	600.00
Walker B. Clarkson, clerk, $10 per week	520.00
M. J. Simmons, clerk, $10 per week	520.00
Augustus P. Crenshaw, general superintendent of construction, $1,800 per annum	1,800.00
Joseph E. Crandal, electrician and superintendent of equipment, $1,800 per annum	1,800.00
The amount of the annual salaries of the above-mentioned officers and employees is $26,940, and of this sum the proportion properly chargeable to the District of Columbia is	10,835.27
Miscellaneous employees:	
C. M. Mallam, contract clerk, $1,200 per annum	1,200.00
D. M. Steers, storekeeper, $10 per week	520.00
Fred. A. Lent, messenger boy, $3 per week	156.00
Miss A. C. Pumphrey, assistant stenographer, $7 per week	364.00
Miss M. O'Gorman, assistant stenographer, $10 per week	520.00
A. E. Barbour, office boy, $5 per week	260.00
Albert H. Osterman, office boy, $7 per week	364.00
Office of electrician and superintendent of equipment, and custodian of building:	
A. E. Williams, clerk, $50 per month	600.00
D. A. Edwards, chief inspector, $1,200 per annum	1,200.00
J. W. De Groot, switch-board man, $60 per month	720.00
H. M. Crandall, second assistant test operator, $8 per week	416.00
Edgar Speiden, test operator, $1,200 per annum	1,200.00
W. A. Butler, jr., assistant test operator, $67.50 per month	810.00
Harry Miller, inspector, $19.23 per week	1,000.00
A. M. Righter, inspector, $13.85 per week	720.00
R. W. Bretney, instrument man, $9 per week	468.00
John E. Rowles, battery man, $600 per annum	600.00
W. A. Kendrick, engineer, $900 per annum	900.00
Franklin Young, night fireman, $45 per month	540.00
C. Cox, janitor, $10 per week	520.00
George F. Hatton, elevator boy, $8.50 per week	442.00
F. T. Iddings, special inspector, $17.31 per week	900.00
D. H. Washburn, inspector, $13.85 per week	720.00
C. E. Mahoney, instrument man, $13.85 per week	720.00
H. D. Moyer, inspector, $13.85 per week	720.00
Charles Kaufman, instrument man, $9 per week	468.00
L. M. Heron, instrument man, $12 per week	624.00
E. M. Wev, instrument man, $12 per week	624.00
Charles A. Springer, instrument man, $12 per week	624.00
Harold B. Stabler, instrument man, $9 per week	468.00
Henry C. Montague, instrument man, $12 per week	624.00
H. B. De Croot, apprentice, $5 per week	260.00
J. R. Sands, carpenter, $18 per week	936.00
Operating department:	
B. L. Nevius, jr., chief operator, $1,200 per annum	1,200.00
C. M. Baldwin, night operator, $9.23 per week	480.00

Operating department—Continued.

F. W. Chappel, night operator, $7 per week	$364.00
James W. Talbot, night operator, $7 per week	364.00
Miss Annie A. Prosperi, operator, $8.50 per week	442.00
Miss Jennie A. Boyle, operator, $8.50 per week	442.00
Miss Maggie E. Mudd, operator, $8.50 per week	442.00
Miss Lizzie C. Prosperi, operator, $7.25 per week	377.00
Miss Anna E. Smith, operator, $7.25 per week	377.00
Miss Blanche Thompson, operator, $7.25 per week	377.00
Miss Mamie R. Smith, operator, $6.25 per week	325.00
Miss Helen E. Walmsley, operator, $6.25 per week	325.00
Miss Ada I. Pumphrey, operator, $6.25 per week	325.00
Miss Bessie Creney, operator, $5.75 per week	299.00
Miss Lottie Miller, operator, $5.75 per week	299.00
Miss E. Addie Parker, operator, $5.75 per week	299.00
Miss Effie M. Cooke, operator, $5.75 per week	299.00
Miss Anne J. Branson, operator, $5.75 per week	299.00
Miss Fannie E. Newman, operator, $5.75 per week	299.00
Miss Emma F. Hayward, operator, $5.75 per week	299.00
Miss Maude M. Keck, operator, $5.75 per week	299.00
Miss Jessie Richardson, operator, $5.75 per week	299.00
Miss Eva K. Webster, operator, $5.75 per week	299.00
Miss Lida Q. Godfrey, operator, $5.75 per week	299.00
Miss Mary R. Barker, operator, $5.25 per week	273.00
Miss Tillie C. Hull, operator, $5.25 per week	273.00
Miss Aspasia Prosperi, operator, $5.25 per week	273.00
Miss Daisy Radigan, operator, $4.75 per week	247.00
Miss Ida J. Webb, operator, $4.75 per week	247.00
Miss Emily G. Miller, operator, $4.17 per week	216.84
Miss Edna E. Bobb, operator, $4.17 per week	216.84
Miss Beulah E. Wilson, operator, $4.17 per week	216.84
Miss Bessie M. Glass, operator, $4.17 per week	216.84
Miss Ella H. Collett, operator, $4.17 per week	216.84
Miss Nellie Lowe, operator, $4.17 per week	216.84
Miss Mamie Williams, operator, $4.17 per week	216.84
Miss Lucy Shopland, operator, $4.17 per week	216.84
Miss Henrietta Shaw, janitress, $5 per week	260.00
William Dodge, collector, $1,144 per annum	1,144.00
W. C. Brooke, assistant collector, $50 per month	600.00
R. J. Meigs, canvasser, $11.54 per week	600.00
G. B. Nichol, canvasser, $10 per week	520.00

Construction department:

W. M. Beall, clerk, $720 per annum	720.00
Meyers Hand, clerk, $5 per week	260.00
Erwin L. Bradford, draftsman, $20 per week	1,040.00
M. K. Crenshaw, cable inspector, $1,000 per annum	1,000.00
J. B. MacKenzie, foreman, $1,000 per annum	1,000.00
R. G. Tinkler, foreman, $1,000 per annum	1,000.00
Joe Ebert, line inspector, $2.25 per day	702.00
A. Harmon, line inspector, $2.25 per day	702.00
J. Tenly, lineman, $2.25 per day	702.00
F. Ford, lineman, $2.25 per day	702.00
E. O'Connor, lineman, $2.25 per day	702.00
S. W. Fowler, lineman, $2.25 per day	702.00
R. E. Lowery, lineman, $2 per day	624.00
E. R. Aldrich, lineman, $2 per day	624.00
W. H. Soper, lineman, $2 per day	624.00
C. Gerhardt, lineman, $2 per day	624.00
E. Bailey, lineman, $2 per day	624.00
J. Moody, lineman, $2 per day	624.00
H. Gerhardt, lineman, $2 per day	624.00
H. Merson, lineman, $2 per day	624.00
T. Gray, lineman, $2 per day	624.00
J. Dove, lineman, $2 per day	624.00
D. S. Green, lineman, $2 per day	624.00
C. Weeks, lineman, $2 per day	624.00
A. Hepburn, lineman, $2 per day	624.00
George Ellis, lineman, $2 per day	624.00
C. Mills, lineman, $2 per day	624.00
W. V. McCutt, lineman, $2 per day	624.00

Construction department—Continued.

W. R. Nagle, lineman, $2 per day	$624.00
T. J. Van Dyl, lineman, $2 per day	624.00
H. T. Snoots, lineman, $2 per day	624.00
W. Merson, lineman, $2 per day	624.00
H. Divver, horse and cart, $2 per day	624.00
D. Coberth, helper, $1.50 per day	468.00
S. Williams, helper, $1.50 per day	468.00
A. Frizzell, helper, $1.50 per day	468.00
C. Terrett, helper, $1.50 per day	468.00
J. Steuernagel, helper $1.50 per day	468.00
S. Guy, helper, $1.50 per day	468.00
E. D. Vernon, helper, $1.50 per day	468.00
George Rentzler, helper, $1.50 per day	468.00
A. Deanell, helper, $1.50 per day	468.00
E. Divver, helper, $1.50 per day	468.00
J. A. Fowler, helper, $1.50 per day	468.00
E. Adams, helper, $1.50 per day	468.00
W. F. Burgess, helper, $1.50 per day	468.00
C. Fowler, helper, $1.50 per day	468.00
C. Frizzell, helper, $1.50 per day	468.00
W. Mothershead, helper, $1.50 per day	468.00
W. Ebert, helper, $1.50 per day	468.00
T. Burke, helper, $1.50 per day	468.00
P. Brown, helper, $1.50 per day	468.00
E. F. Moore, helper, $1.25 per day	390.00
W. E. Dean, helper, $1.25 per day	390.00
E. Stevens, helper, $1.25 per day	390.00
F. Miller, helper, $1.25 per day	390.00
E. Jones, helper, $1.25 per day	390.00
J. Harrison, helper, $1.25 per day	390.00
C. Cunningham, helper, $1.25 per day	390.00
G. Brown, helper, $1.25 per day	390.00
W. F. Maxey, helper, $1.25 per day	390.00
C. Lee, water boy, 60 cents per day	187.20
A. L. Keefer, storekeeper, $1.50 per day	468.00
Total	82,737.19

This total varies somewhat from and is considerably in excess of the actual amount expended for the District of Columbia portion of the service during the year 1897, for the reason that many of the employees, whose annual pay in this statement has been reckoned according to the daily-wage pay, naturally lose a large amount of time during the year by reason of illness or inability to work due to inclemency of the weather, and, pending such illness or inclement weather, their wages stop.

TUESDAY, *April 12, 1898.*

The following letter, with inclosure from Mr. S. M. Bryan, president of the Chesapeake and Potomac Telephone Company, was this day received by the committee:

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
Washington, D. C., April 12, 1898.

Hon. WILLIAM W. GROUT,
Chairman Select Committee House of Representatives, Charged with Making Inquiries Concerning Telephone Rates, District of Columbia.

DEAR SIR: Referring to my letter of the 9th instant, and in compliance with the promise therein contained, I now have the honor to hand you, herewith, the report of the expert accountants in relation to the affairs of the Chesapeake and Potomac Telephone Company.

I beg to state in this connection that I desire, on behalf of this company, to submit evidence in relation to the matters involved in the investigation, and shall be prepared to do so at any time upon twenty-four hours' notice. It will be gratifying to me, if it will suit your convenience, to appoint an early day for this purpose.

I have the honor to be, sir, yours, very respectfully,

SAML. M. BRYAN,
President and General Manager.

No. 30 Broad Street, New York,
April 11, 1898.

Mr. S. M. Bryan,
President, The Chesapeake and Potomac Telephone Company,
Washington, D. C.

Dear Sir: In accordance with your instructions we have made an examination of the books and accounts of the Chesapeake and Potomac Telephone Company, and beg to hand you herewith statements relating to the business of the company in the District of Columbia, as follows:

Exhibit A.—Earnings and expenses for four years ended December 31, 1897.
B.—Income account for four years ended December 31, 1897.
C.—Profit and loss account for four years ended December 31, 1897.
D.—Earnings and expenses, per telephone, for four years ended December 31, 1897.
E.—Actual cost of construction to December 31, 1897.
F.—Amount expended for construction from the date of purchase, August 1, 1883, to December 31, 1897, in detail.
G.—Sources from which the money expended for construction was obtained.
H.—Consideration for which the $750,000 of capital stock was originally issued.
I.—Surplus account, in detail, for the years 1891 to 1897, both inclusive.
J.—Dividends paid The American Bell Telephone Company from 1883 to 1897, both years inclusive, on their stock holdings, and the number of shares so held.
K.—Rentals and royalties paid The American Bell Telephone Company for the years 1891 to 1897, both inclusive.
L.—Telephones in use and under contract December 31, 1897, showing rates and classifications.
M.—Rates of rental, per telephone, paid The American Bell Telephone Company, in effect December 31, 1897.

Referring to the above statements, we submit the following:

First. In preparing the statements showing the earnings and expenses (Exhibit A), income account (Exhibit B), and profit and loss account (Exhibit C), for four years ended December 31, 1897, we verified all the receipts and disbursements for the years 1896 and 1897 by checking back all figures to the original sources of entry. The figures for the years 1894 and 1895 were taken from, and agree with, the books without such detailed examination. The result of the examination for the years 1896 and 1897 indicates that the figures presented for the years 1894 and 1895 are accurate and reliable. In the course of our examination we have studied the system of accounting employed by the company and the general manner in which their business has been conducted. We found that the books and records have been carefully and properly kept and indicate that the operations of the company have been efficiently and economically conducted.

Second. We found that the books showed fully the amounts that have been expended for general, operating, maintenance, and construction expenses, and that the amounts charged respectively to these accounts were properly chargeable to them; that the distributions to the various accounts have been accurately made, and that the divisions of expenses and earnings between the Washington Exchange and the other exchanges operated by the company have been made on fair and equitable lines. All specific items have been charged direct, and such items of general expense as appertained to the whole company have been apportioned on the basis of the revenue derived from each of the various exchanges.

Third. The receipts from exchange service, as shown by Exhibit D, have averaged for the past four years $180,622.74 per annum, or $98.06 per telephone, and the total expenses of the exchange service have averaged during the same period $129,015.50 per annum, or $70.04 per telephone. Other income, such as private-line rentals and extraterritorial and miscellaneous revenue, averages for the period $16,101.54 per annum, making the total average receipts $196,724.28 per annum, or an average of $106.80 per telephone. The expenses of the business outside of the exchange service, to wit, private line expenses, rentals and royalties, royalty on extraterritorial business, messages handled for the Western Union Telegraph Company, and the proportion of all other expenses, based on the proper percentage referring to this outside business, average $7,289.44 per annum, making the total expenses for the entire business of the Washington plant average for the four years $136,304.94 per annum, or $74 per telephone.

The total expenses shown represent all actual expenditures by the company for account of the Washington business, but do not include any estimate for depreciation of the plant; that is, in the statements herewith presented the amount of

depreciation which appears on the books of the company, and which has been charged into the expense accounts of the several years, has been eliminated.

Respectfully submitted.

HASKINS & SELLS,
Certified Public Accountants.

EXHIBIT A.

Earnings and expenses for the four years ended December 31, 1897.

EARNINGS.

	For year ended December 31—				Total for four years.	Average per annum.
	1894.	1895.	1896.	1897.		
Rentals from exchange subscriptions	$176,835.84	$178,772.67	$177,540.27	$178,254.78	$711,403.56	$177,850.89
Receipts from local pay stations	.....	296.50	843.94	9,946.97	11,087.41	2,771.85
Commissions on long distance business	692.94	173.36	374.40	679.32	1,920.02	480.00
Commissions on messages collected for the Western Union Telegraph Company	34.75	48.80	46.88	69.23	199.66	49.92
Receipts from toll service	.....	106.20	288.05	836.80	1,231.05	307.76
Extraterritorial revenue	5,065.10	6,487.37	6,942.51	7,907.98	26,402.96	6,600.74
Private line rentals	7,544.37	5,304.62	5,149.89	5,857.95	23,856.83	5,964.21
Messenger service	.....	14.35	11.10	16.35	41.80	10.45
Real estate	.....	300.00	365.00	35.00	700.00	175.00
Commissions on messages distributed for the Western Union Telegraph Company	.....	.....	12.70	22.57	35.27	8.82
Loop rentals, care batteries, etc., for the American Telephone and Telegraph Company	596.67	611.48	921.76	1,029.56	3,159.47	789.87
Rental of attachments on poles and underground conduits	.....	.....	278.98	122.63	401.61	100.40
Moving telephones	1,175.10	707.95	732.71	624.84	3,240.60	810.15
Profit on labor and material sold	344.83	1,296.27	562.13	1,013.66	3,216.89	804.22
Total gross earnings	192,289.60	194,119.57	194,070.32	206,417.64	786,897.13	196,724.28

EXPENSES.

Maintenance:						
Salaries and wages	$20,787.82	$22,031.63	$28,231.48	$47,454.18	$118,505.11	$29,626.28
Rent, light, and heat	1,238.83	1,356.33	1,367.07	1,580.02	5,542.25	1,385.56
Material	25,131.77	12,473.30	19,100.08	53,710.79	110,415.94	27,603.99
Traveling	1,521.60	1,376.69	1,999.90	1,876.93	6,775.12	1,693.78
Conduit, pole, and roof rental	138.66	172.39	273.17	437.14	676.58	169.14
Insurance	293.50	205.00	208.00	307.50	1,014.00	253.50
Damage and compensation	143.25	115.85	313.48	216.38	788.96	197.24
Incidental	1,839.51	1,413.86	455.67	563.66	4,272.70	1,068.17
Total maintenance expenses	51,094.94	38,800.27	51,948.85	106,146.60	247,990.66	61,997.66
Operating:						
Salaries and wages	13,723.79	13,490.60	12,952.34	14,215.35	54,382.08	13,595.52
Rent, light, and heat	2,199.45	2,254.58	2,127.42	2,314.92	8,896.37	2,224.09
Incidental	739.28	511.91	355.74	519.55	2,126.48	531.62
Total operating expenses	16,662.52	16,257.09	15,435.50	17,049.82	65,404.93	16,351.23
General:						
Salaries and wages	14,166.58	11,443.62	10,953.74	11,707.09	48,271.03	12,067.76
Rent, light, and heat	1,216.99	855.70	768.42	855.15	3,696.26	924.07
Real estate	770.73	168.20	122.13	147.77	1,208.83	302.21
Traveling	1,641.23	1,196.20	1,372.11	1,363.94	5,573.48	1,393.37
Postage, printing, and stationery	1,718.05	2,045.40	2,244.01	2,386.32	8,393.78	2,098.44
Legal	2,096.37	1,099.14	2,285.51	9,072.17	14,553.19	3,638.30
Incidental	1,787.25	1,951.99	955.75	1,954.54	6,649.53	1,662.38
Total general expenses	23,397.20	18,760.25	18,701.67	27,486.98	88,346.10	22,086.53

Earnings and expenses for the four years ended December 31, 1897—Continued.

EXPENSES—Continued.

	For year ended December 31—				Total for four years.	Average per annum.
	1894.	1895.	1896.	1897.		
Rentals and royalties:						
Instrument rental, American Bell Telephone Company, exchange	$16, 231. 74	$12, 051. 74	$12, 092. 07	$12, 775. 71	$53, 151. 26	$13, 287. 81
Instrument rental, American Bell Telephone Company, private line	1, 666. 64	1, 213. 35	1, 054. 38	1, 084. 74	5, 019. 11	1, 254. 78
Royalty on extraterritorial business	692. 94	818. 57	902. 43	1, 038. 02	3, 451. 96	862. 99
Royalty on messages handled for the Western Union Telegraph Company	15. 92	24. 53	23. 45	34. 61	98. 51	24. 63
Royalty on switch board	1, 609. 83	1, 710. 66	1, 672. 67	1, 717. 17	6, 610. 33	1, 652. 58
Total rentals and royalties:						
10.51 per cent of total gross earnings	20, 217. 07					
8.15 per cent of total gross earnings	.....	15, 818. 85				
8.11 per cent of total gross earnings	.....	.....	15, 745. 00			
8.06 per cent of total gross earnings	.....	.....	.....	16, 650. 25		
8.70 per cent of total gross earnings	.....	.....	.....	.....	68, 431. 17	
8.70 per cent of total gross earnings	.....	.....	.....	.....	.....	17, 107. 79
Total expenses	111, 371. 73	89, 636. 46	101, 831. 02	167, 333. 65	470, 172. 86	117, 543. 21
Taxes	300. 00	300. 00	304. 16	330. 55	1, 234. 71	308. 68
Total expenses and taxes	111, 671. 73	89, 936. 46	102, 135. 18	167, 664. 20	471, 407. 57	117, 851. 89
Net earnings	80, 617. 87	104, 183. 11	91, 935. 14	38, 753. 44	315, 489. 56	78, 872. 39
Per cent of expenses and taxes to total gross earnings	58. 07	46. 33	52. 63	81. 23	59. 91	59. 91

EXHIBIT B.

Income account for the four years ended December 31, 1897.

	For year ended Dec. 31—				Total for four years.	Average per annum.
	1894.	1895.	1896.	1897.		
Receipts.						
Net earnings, as per Exhibit A	$80, 617. 87	$104, 183. 11	$91, 935. 14	$38, 753. 44	$315, 489. 56	$78, 872. 39
Disbursements.						
Bad accounts charged off	.....	.....	2, 596. 96	1, 108. 77	3, 705. 73	926. 43
Miscellaneous interest, Washington proportion figured on revenue basis	1, 374. 16	2, 166. 29	1, 062. 20	1, 476. 52	6, 079. 17	1, 519. 79
Fixed charges, interest on first-mortgage bonds, Washington proportion two-fifths of total charge	8, 000. 00	8, 000. 00	8, 000. 00	8, 027. 30	32, 027. 30	8, 006. 83
Sinking fund, Washington proportion two-fifths of total charge	8, 000. 00	8, 000. 00	8, 000. 00	8, 000. 00	32, 000. 00	8, 000. 00
Total	17, 374. 16	18, 166. 29	19, 659. 16	18, 612. 59	73, 812. 20	18, 453. 05
Surplus from operations	63, 243. 71	86, 016. 82	72, 275. 98	20, 140. 85	241, 677. 36	60, 419. 34

EXHIBIT C.

Statement of profit and loss account for the four years ended December 31, 1897.

	For year ended Dec. 31—				Total for four years.	Average per annum.
	1894.	1895.	1896.	1897.		
Receipts.						
Surplus from operations, as per Exhibit B	$63,243.71	$86,016.82	$72,275.98	$20,140.85	$241,677.36	$60,419.34
Toll tickets sold from 1885 to 1892 and not used, Washington proportion	.....	.....	55.74	.....	55.74	13.94
Premium on bonds sold—$100,000 at 3 per cent, $3,000; Washington proportion, two-fifths	.....	.....	.....	1,200.00	1,200.00	300.00
Total	63,243.71	86,016.82	72,331.72	21,340.85	242,933.10	60,733.28
Charges.						
Commission paid for selling $85,000 of bonds, 1 per cent, $850; Washington proportion, two-fifths	.....	.....	.....	340.00	340.00	85.00
Depreciation charged off	24,597.33	20,251.20	9,012.75	.....	53,861.28	13,465.30
Total	24,597.33	20,251.20	9,012.75	340.00	54,201.28	13,550.32
Balance	38,646.38	65,765.62	63,318.97	21,000.85	188,731.82	47,182.96
Dividends paid on capital stock:						
2 per cent on $750,000	15,000.00	15,000.00	.....	.....	.....	.....
3 per cent on $750,000	.....	.....	22,500.00	.....	.....	.....
4 per cent on $750,000	.....	.....	.....	30,000.00	.....	.....
2¾ per cent on $750,000	.....	.....	.....	.....	82,500.00	20,625.00
Surplus for year	23,646.38	50,765.62	40,818.97	.....	106,231.82	26,557.96
Deficit for year	.....	.....	.....	8,999.15	.....	.....

EXHIBIT D.

Earnings and expenses, per telephone, for the four years ended December 31, 1897.

	For year ended December 31—				Total for four years.	Average per annum.
	1894.	1895.	1896.	1897.		
Average number of telephones in use	1,818	1,742	1,879	1,929	7,368	1,842
Rentals from exchange subscriptions	$176,835.84	$178,772.67	$177,540.27	$178,254.78	$711,403.56	$177,850.89
Receipts from local pay stations	.....	296.50	843.94	9,946.97	11,087.41	2,771.85
Total exchange-station income	176,835.84	179,069.17	178,384.21	188,201.75	722,490.97	180,622.74
Private-line rentals	7,544.37	5,304.62	5,149.89	5,857.95	23,856.83	5,964.21
Extraterritoral and miscellaneous revenue	7,564.56	8,449.51	9,974.09	11,344.28	37,332.44	9,333.11
Profit on labor and material sold	344.83	1,296.27	562.13	1,013.66	3,216.89	804.22
Total receipts, as per Exhibit A	192,289.60	194,119.57	194,070.32	206,417.64	786,897.13	196,724.28
Average per telephone	105.77	111.43	103.28	107.01	106.80	106.80
Expenses and taxes, as per Exhibit A	111,671.73	89,936.46	102,135.18	167,664.20	471,407.57	117,851.89
Income account—expenses, Exhibit B	17,374.16	18,166.29	19,659.16	18,612.59	73,812.20	18,453.05
Total expenses	129,045.89	108,102.75	121,794.34	186,276.79	545,219.77	136,304.94
Average per telephone	70.98	62.06	64.82	96.57	74.00	74.00
Total net income from all business	63,243.71	86,016.82	72,275.98	20,140.85	241,677.36	60,419.34
Average per telephone	34.79	49.37	38.46	10.44	32.80	32.80

Earnings and expenses, per telephone, etc.—Continued.

	For year ended December 31—				Total for four years.	Average per annum.
	1894.	1895.	1896.	1897.		
Total receipts from exchange stations, as shown hereon	$176,835.84	$179,069.17	$178,384.21	$188,201.75	$722,490.97	$180,622.74
Average per telephone	97.27	102.80	94.94	97.56	98.06	98.06
Total expenses, as shown hereon	129,045.89	108,102.75	121,794.34	186,276.79	545,219.77	136,304.94
Less items not relating to exchange service—private-line expenses, rentals, and royalties	1,890.03	1,637.01	1,315.64	1,201.94	6,044.62	1,511.15
Royalty on extraterritorial business	692.94	818.57	902.43	1,038.02	3,451.96	862.99
Royalty on messages handled for the Western Union Telegraph Co	15.92	24.53	23.45	34.61	98.51	24.63
Proportion of expenses applicable to extraterritorial and miscellaneous revenue (being the general percentage of expenses to earnings, not including rentals and royalties):						
47.56 per cent of $7,564.56	3,597.70	.....	.....	.....	.....	.....
38.18 per cent of $8,449.51	.....	3,226.02	.....	.....	.....	.....
44.51 per cent of $9,974.09	.....	.....	4,439.47	.....	.....	.....
73.16 per cent of $11,344.28	.....	.....	.....	8,299.48	.....	.....
52.40 per cent of $37,332.44 and $9,333.11	.....	.....	.....	.....	19,562.67	4,890.67
Total deductions, expenses not applicable to exchange stations	6,196.59	5,706.13	6,680.99	10,574.05	29,157.76	7,289.44
Total expenses, exchange stations	122,849.30	102,396.62	115,113.35	175,702.74	516,062.01	129,015.50
Average per telephone	67.57	58.78	61.26	91.09	70.04	70.04
Net earnings, exchange stations	53,986.54	76,672.55	63,270.86	12,499.01	206,428.96	51,607.24
Average per telephone	29.70	44.02	33.68	6.47	28.02	28.02

EXHIBIT E.

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY, WASHINGTON PLANT.

Actual cost of construction to December 31, 1897.

1881.		
Aug. 1.	Amount expended by the National Telephone Company, of New York, for plant constructed to date (not including franchises, licenses, good will, etc)	$32,549.81
1883.		
July 31.	Amount expended by the National Telephone Company, of West Virginia, in actual construction from August 1, 1881, to date (not including franchises, licenses, good will, etc.)	58,580.40
Aug. 1.	Actual cost of constructed plant to this date	91,130.21

The plant sold to the Chesapeake and Potomac Telephone Company, together with franchises, licenses, and right of way, valued at $425,160.21, and cash, material, and supplies and accounts receivable, amounting to $92,448.25, for $750,000 in stock of the new company and the assumption by the new company of $15,113.32 of debts.

1897.			
Dec. 31.	Amount expended by the Chesapeake and Potomac Telephone Company in actual construction from August 1, 1883, to December 31, 1897		$441,426.55
	Total cost of Washington plant to date		532,556.76
	Amount expended by the Chesapeake and Potomac Telephone Company for real estate from December, 1890, to December, 31, 1897:		
	Lot 32, square 220	$30,044.50	
	Lots 40, 41, and 42, square 252	6,109.89	
			36,154.39
	Total construction expenses at Washington to date		568,711.15
	Working assets:		
	Cash, average monthly balance, $8,815, of which two-fifths on the basis of receipts and expenses is applicable to the Washington plant	3,526.00	
	Material and supplies	18,500.00	
			22,026.00
	Total investment, not including any charge for franchises, licenses, right of way, or good will		590,737.15
	Capital obligations:		
	Capital stock issued for Washington plant	$750,000.00	
	Bonded debt:		
	Total issue	$500,000.00	
	Less bonds in the treasury and in the sinking fund	127,000.00	
	Outstanding	373,000.00	
	Two-fifths applicable to Washington plant, said two-fifths being the proportion which the amount expended for construction in Washington bears to the total amount expended for construction purposes by the company	149,000.00	
	Total capital outstanding		899,200.00
	Actual cost of investment, as above		590,737.15
	Leaving for cost of franchises, licenses, right of way, good will, etc		308,462.85

EXHIBIT F.

Amount expended for construction from the date of purchase of the plant, August 1, 1883, to December 31, 1897.

For eleven months from August 1, 1883, to June 30, 1884:		
General construction	$18,000.24	
Underground construction	16,288.05	
Multiple switchboard	5,935.09	
Washington and Baltimore line, $3,882.83, Washington proportion one-half	1,941.42	
Alexandria line	5.00	
Office furniture and fixtures	391.40	
Total		$42,561.20
For nine months from July 1, 1884, to March 31, 1885:		
General construction	8,407.51	
General construction, Georgetown	287.78	
General construction, north E street	354.37	
General construction, south E street	964.38	
General construction, Mount Pleasant	146.97	
Underground east division	40,813.86	
Multiple switchboard	8.00	
Office furniture and fixtures	272.61	
Total		51,255.48

For nine months, from April 1, 1885, to December 31, 1885:		
General construction	$4,394.40	
General construction, Georgetown	61.28	
General construction, North E street	417.47	
Underground, east division	3,238.81	
Underground, west division	11,777.43	
Underground, south division	1,103.45	
Underground, north division	6,681.44	
Rockville line	54.00	
Postal-wire line, Washington to Baltimore, $14,164.50; Washington proportion, one-half	7,082.25	
Office furniture and fixtures	150.04	
Total		$34,960.57
For year ended December 31, 1886:		
General construction	6,457.20	
Underground, north division	31.50	
Underground, south division	15,289.51	
Alexandria line	794.45	
Office furniture and fixtures	8.83	
Total		22,581.49
For year ended December 31, 1887:		
General construction	11,206.74	
Office furniture and fixtures	1,493.77	
Total		12,700.51
For year ended December 31, 1888:		
General construction	9,360.10	
Office furniture and fixtures	83.38	
Total		9,443.48
For year ended December 31, 1889:		
General construction	5,467.84	
Underground construction	1,081.71	
Office furniture and fixtures	145.14	
Total		6,694.69
For year ended December 31, 1890:		
General construction	9,479.93	
Switchboards	2,311.03	
Cable construction	1,746.50	
Underground construction	349.15	
Office furniture and fixtures	33.42	
Total		13,920.03
For year ended December 31, 1891:		
Underground construction	3,166.82	
Underground conduit construction	91,040.27	
Aerial construction	3,590.66	
Switchboards	387.15	
Equipment	1,143.24	
Total		99,328.14
For year ended December 31, 1892:		
Aerial construction	4,157.64	
Underground cable construction	10,386.40	
Conduit construction	53,490.70	
Switchboards	3,515.36	
Equipment	2,590.41	
Total		74,140.5
For year ended December 31, 1893:		
Underground cable construction	9,326.01	
Equipment	1,839.04	
Total		11,165.0

For year ended December 31, 1894:		
Aerial construction	$2,633.87	
Underground cable construction	20,117.92	
Underground conduit construction	5,374.98	
Equipment	18,714.67	
Total		$46,841.44
For the year ended December 31, 1895:		
Aerial construction	436.47	
Underground conduit construction	349.80	
Underground cable construction	194.34	
Equipment	1,525.42	
Toll line, Rockville	1,679.01	
Total		4,185.04
For year ended December 31, 1896:		
Underground conduit construction	2.25	
Underground cable construction	5,366.72	
Aerial construction	789.68	
Toll lines, Rockville and Baltimore	2,482.08	
Equipment	891.96	
Total		7,953.33
For year ended December 31, 1897:		
Equipment		9,364.36
Total		447,095.32
Less amount received October 30, 1895, from the Metropolitan Railroad Company for cost of underground conduit; action necessitated by their change of motive power		5,668.77
Net amount expended by the Chesapeake and Potomac Telephone Company for actual construction of telephone plant in the District of Columbia from August 1, 1883, to December 31, 1897		441,426.55
Amount expended for real estate in the District of Columbia from December, 1890, to December 31, 1897		36,154.39
Total construction expenses to December 31, 1897		477,580.94

EXHIBIT G.

Sources from which the money expended for construction was obtained.

August 1, 1893:	
From the original issue of $750,000 of capital stock there was realized cash and cash assets	$77,234.93
June 9 and 10, 1891:	
Amount contributed out of proceeds of sale of mortgage bonds, $360,000, Washington proportion, two-fifths	144,000.00
($400,000 of bonds sold at 90 per cent; the discount, $40,000, was charged to the surplus account.)	
December 23, 1897:	
Amount contributed out of proceeds of sale of mortgage bonds, $103,000; Washington proportion, two-fifths	41,200.00
(One hundred thousand dollars of bonds sold at 103 per cent; the premium, $3,000, was credited to the surplus account.)	
Amount contributed out of earnings of the company	215,146.01
Total	477,580.94

EXHIBIT H.

Consideration for which the $750,000 of capital stock was originally issued.

$750,000 issued August 1, 1883, for the following consideration:

Cash	$79,601.79
Accounts receivable	9,128.22
Supplies	3,618.24
Stock, National Fair Association, 1 share	100.00
	92,448.25
Less accounts payable	15,113.32
Net cash assets	77,334.93
Cost of actual construction of plant prior to August 1, 1883, valued at $118,580.40 on old company's books	91,130.21
Franchises, licenses, right of way, etc., valued at $425,160.21 on old company's books	581,534.86
Total	750,000.00

EXHIBIT I.

Surplus resulting from the business of the Washington plant for the years 1891 to 1897, inclusive.

1891. Earnings and miscellaneous income		$157,851.52	
Expenses	$107,703.92		
Dividends	22,500.00		
		130,203.92	
Surplus for year 1891			$27,647.60
1892. Earnings and miscellaneous income		180,033.76	
Expenses	107,026.33		
Dividends	15,000.00		
		122,026.33	
Surplus for year 1892			58,007.43
1893. Earnings and miscellaneous income		195,535.94	
Expenses	120,445.86		
Dividends	18,750.00		
		139,195.86	
Surplus for year 1893			56,340.08
1894. Earnings and miscellaneous income		192,289.60	
Expenses	129,045.89		
Depreciation charged off	24,597.33		
Dividends	15,000.00		
		168,643.22	
Surplus for year 1894			23,646.38
1895. Earnings and miscellaneous income		194,119.57	
Expenses	108,102.75		
Depreciation charged off	20,251.20		
Dividends	15,000.00		
		143,353.95	
Surplus for year 1895			50,765.62
1896. Earnings and miscellaneous income		194,126.06	
Expenses	121,794.34		
Depreciation charged off	9,012.75		
Dividends	22,500.00		
		153,307.09	
Surplus for year 1896			40,818.97
1897. Earnings and miscellaneous income		207,617.64	
Expenses	186,616.79		
Dividends	30,000.00		
		216,616.79	
Deficit for year 1897			8,999.15
Total surplus for seven years—1891 to 1897, inclusive			248,226.93

EXHIBIT J.

Dividends paid on the Washington, D. C., proportion of the capital stock of the Chesapeake and Potomac Telephone Company, held by the American Bell Telephone Company, since the organization of the company, July 3, 1883, to December 31, 1897, and the number of shares so held.

Year.	Shares.	Rate.	Amount dividend.	Waived.	Amount paid.
		Per cent.			
1883	4,739	1½	$7,108.50	$4,614.53	$2,493.97
1884	4,739	3	14,217.00	7,382.27	6,834.73
1885	4,872	None.			None.
1886	4,516	3½	15,806.00	784.17	15,021.83
1887	4,271	5			21,355.00
1888	4,269	5			21,345.00
1889	4,268	5			21,340.00
1890	4,268	3½			14,938.00
1891	4,268	3			12,804.00
1892	4,262	2½			10,655.00
1893	4,264	2			8,528.00
1894	4,269	2			8,538.00
1895	4,269	2			8,538.00
1896	4,269	3			12,807.00
1897	4,269	4			17,076.00
Total paid					182,274.53
Average amount per annum paid					12,570.66

Average rate of dividend paid American Bell Telephone Company, 2.875 per cent.
Average rate of dividend paid general stockholders, 3.1 per cent.

EXHIBIT K.

Rentals and royalties paid the American Bell Telephone Company for the years 1891 to 1897, inclusive.

Year.	Instrument rental, exchange.	Instrument rental, private line.	Proportion of ex-territorial receipts.	Proportion telegraph commissions.	Total.
1891	$20,404.96	$3,420.00	$567.08	$19.65	$24,411.69
1892	21,006.81	3,809.07	281.28	64.57	25,161.73
1893	22,192.19	3,902.42	243.77	56.33	26,394.71
1894	16,231.74	1,666.64	692.94	15.92	18,607.24
1895	12,051.74	1,213.35	818.57	24.53	14,108.19
1896	12,092.07	1,054.38	902.43	23.45	14,072.73
1897	12,775.71	1,084.74	1,038.02	34.61	14,933.08
Total	116,755.22	16,150.60	4,544.09	239.06	137,688.97

EXHIBIT L.

Telephone contracts in force December 31, 1897.

Number of stations.	Rate.	Remarks.	Metallic circuit.	Revenue.
3	$12.00	Extra sets, telephones	2	$36.00
4	20.00	Extra sets, Treasury		80.00
2	34.50		2	69.00
15	25.00		14	375.00
7	40.00		2	280.00
5	30.00		1	150.00
1	40.00	5 months		40.00
1	30.00	3 months		30.00
1	42.00	5 months		42.00
2	35.00		1	70.00
12	36.00		4	432.00
28	45.00		28	1,260.00
11	48.00	6 months		528.00
34	50.00		8	1,700.00
46	49.83		46	2,292.18
1	50.00	6 months		50.00

Telephone contracts in force December 31, 1897—Continued.

Number of stations.	Rate.	Remarks.	Metallic circuit.	Revenue.
19	52.62½		19	$999.88
1	54.00	6 months		54.00
1	54.00	7 months		54.00
1	55.00			55.00
1	56.00			56.00
1	56.00	6 months		56.00
2	57.60			115.20
37	60.00		1	2,220.00
2	60.00	8 months		120.00
1	60.00	3 months	1	60.00
5	64.00	6 months	5	320.00
1	65.00			65.00
1	66.00	8 months		66.00
2	66.25			132.50
3	68.33⅓			205.00
40	69.25		40	2,770.00
2	70.00		1	140.00
1	70.00	7 months		70.00
1	71.00	do		71.00
190	72.00		27	13,680.00
1	73.00	7 months	1	73.00
2	72.50			145.00
1	74.00			74.00
1	74.00	6 months	1	74.00
8	75.00			600.00
5	76.00			380.00
24	77.00			1,848.00
23	78.00			1,794.00
1	78.00	7 months		78.00
10	78.25			782.50
1	78.75			78.75
27	80.00		3	2,160.00
2	81.00			162.00
8	82.00			656.00
2	82.50			165.00
1	83.00			83.00
6	84.00			504.00
1	84.00	6 months	1	84.00
10	84.50		1	845.00
2	85.00		2	170.00
1	86.25			86.25
1	87.00			87.00
2	87.50			175.00
4	88.00		1	352.00
1	89.00			89.00
1	89.60			89.60
8	90.00			720.00
9	90.75			816.75
2	92.00			184.00
4	92.50			370.00
2	92.80		2	185.60
1	93.00			93.00
2	94.00			188.00
4	95.00			380.00
3	96.00			288.00
1	96.75			96.75
10	97.00		1	970.00
2	97.50			195.00
2	98.00			196.00
5	98.75			493.75
1	98.84	8 months	1	98.84
601	100.00		37	60,100.00
1	100.00	Six months	1	100.00
2	102.00			204.00
2	103.00			206.00
6	103.75			622.50
4	104.00			416.00
19	105.00			1,995.00
20	106.00		4	2,120.00
27	106.25			2,868.75
2	108.00			216.00
1	109.00			109.00
3	109.50			328.50
21	110.00		6	2,310.00
3	111.25			333.75
8	112.00		1	896.00
2	112.25			224.50
17	112.50			1,912.50
1	114.00			114.00
5	115.00		3	575.00

Telephone contracts in force December 31, 1897—Continued.

Number of stations.	Rate.	Remarks.	Metallic circuit.	Revenue.
4	116.00			$464.00
1	117.00		1	117.00
1	117.25			117.25
6	118.00			708.00
3	118.50			355.50
20	118.75			2,375.00
1	119.00			119.00
25	120.00		5	3,000.00
1	121.00			121.00
1	121.75			121.75
5	122.00			610.00
1	122.25			122.25
1	124.00			124.00
1	124.75			124.75
98	125.00		82	12,250.00
1	126.00		1	126.00
1	127.50		1	127.50
2	128.00		1	256.00
15	130.00		13	1,950.00
4	131.00		3	524.00
6	131.25			787.50
46	135.00		42	6,210.00
4	136.00		3	544.00
5	137.50			687.50
15	140.00		11	2,100.00
7	141.00		6	987.00
1	143.75			143.75
1	144.00			144.00
5	145.00		4	725.00
1	149.00		1	149.00
1	146.00			146.00
1	148.00		1	148.00
14	150.00		10	2,100.00
1	151.00		1	151.00
2	152.00		2	304.00
4	155.00		4	620.00
2	156.00		1	312.00
1	166.00		1	166.00
8	160.00		4	1,280.00
2	170.00		2	340.00
4	165.00		4	660.00
2	171.00		2	342.00
7	175.00		5	1,225.00
6	180.00		4	1,080.00
2	185.00		2	370.00
1	190.00		1	190.00
1	194.00		1	194.00
2	195.00		2	390.00
7	200.00		2	1,400.00
1	224.00		1	224.00
2	225.00		2	450.00
2	240.00		2	480.00
1	248.00		1	248.00
1	250.00			250.00
1	280.00		1	280.00
1	300.00		1	300.00
133	Tolls.	Includes two booths in Secretary's office	131	
59	D. H.		28	
1,984		Total unlimited service	658	171,146.80
		Measured service.		
2	$45.00		2	$90.00
11	50.00		11	550.00
3	54.00		3	162.00
86	66.00		86	5,676.00
4	71.00		4	284.00
8	72.00		8	576.00
1	73.00		1	73.00
4	74.00		4	296.00
8	76.00		8	608.00
1	81.00		1	81.00
2	84.00		2	168.00
3	86.00		3	258.00
2	87.00		2	174.00
1	89.00		1	89.00
1	82.00		1	82.00
1	102.00		1	102.00
3	112.00		3	336.00
2	116.00		2	232.00

Telephone contracts in force December 31, 1897—Continued.

Number of stations.	Rate.	Remarks.	Metallic circuit.	Revenue.
		Measured service—Continued.		
2	124.00		2	$248.00
1	162.00		1	162.00
1	210.00		1	210.00
1	220.00		1	220.00
2	240.00		2	480.00
1	122.00		1	122.00
4	92.00		4	368.00
8	100.00		8	800.00
3	96.00		3	288.00
1	106.00		1	106.00
2	150.00		2	300.00
169		Total measured surface	169	13,141.00
2,153		Total telephones under contract	827	184,287.80

EXHIBIT M.

Rates of rental, per telephone, paid the American Bell Telephone Company, in effect December 31, 1897.

On telephones paying per annum—	Magnetotelephones.			Battery transmitters.			Total for complete telephone.		
	Yearly rate.	Yearly rebate.	Net charge.	Yearly rate.	Yearly rebate.	Net charge.	Yearly rate.	Yearly rebate.	Net charge.
$24 or less	$2.50	$1.75	$0.75	$5.00	$4.25	$0.75	$7.50	$6.00	$1.50
24 to 30	2.50	1.50	1.00	5.00	4.00	1.00	7.50	5.50	2.00
30 to 36	2.50	1.25	1.25	5.00	3.75	1.25	7.50	5.00	2.50
36 to 42	2.50	1.00	1.50	5.00	3.50	1.50	7.50	4.50	3.00
42 to 48	2.50	.75	1.75	5.00	3.25	1.75	7.50	4.00	3.50
48 to 54	2.50	.50	2.00	5.00	3.00	2.00	7.50	3.50	4.00
54 to 60	2.50	.25	2.25	5.00	2.75	2.25	7.50	3.00	4.50
60 to 66	2.50	.....	2.50	5.00	2.50	2.50	7.50	2.50	5.00
66 to 72	2.50	.....	2.50	5.00	2.25	2.75	7.50	2.25	5.20
72 to 78	2.50	.....	2.50	5.00	2.00	3.00	7.50	2.00	5.50
78 to 84	2.50	.....	2.50	5.00	1.75	3.25	7.50	1.75	5.75
84 to 90	2.50	.....	2.50	5.00	1.50	3.50	7.50	1.50	6.00
90 to 96	2.50	.....	2.50	5.00	1.25	3.75	7.50	1.25	6.25
96 to 102	2.50	.....	2.50	5.00	1.00	4.00	7.50	1.00	6.50
102 to 108	2.50	.....	2.50	5.00	.75	4.25	7.50	.75	6.75
108 to 114	2.50	.....	2.50	5.00	.50	4.50	7.50	.50	7.00
114 to 120	2.50	.....	2.50	5.00	.25	4.75	7.50	.25	7.25
120 and over—in use on toll lines and in stock	2.50	.....	2.50	5.00	.....	5.00	7.50	.....	7.50
Private lines	.....	.....	.....	.....	.....	.....	7.50	5.00	2.50
Speaking tubes	.....	.....	.....	.....	.....	.....	7.50	6.00	1.50

Full amount of rental rebated on free telephones, provided the number of same does not exceed 3 per cent of the total number of instruments charged.

TUESDAY, *April 26, 1898.*

The committee met this day at 10 o'clock a. m., on the call of the chairman.

Present, the chairman (Hon. W. W. Grout) and Messrs. Pitney, Bingham, and Dockery, of the committee; also Mr. S. M. Bryan, president of the Chesapeake and Potomac Telephone Company, and Jere Wilson, esq., his attorney, and Messrs. Hemphill and Birney, representing the Citizens' Association.

The CHAIRMAN. The matter submitted by the telephone company has not been examined by myself at all, but Mr. Pitney has given attention to it, and therefore he will conduct the examination this morning of the parties and experts touching those submissions which have come in.

Mr. PITNEY. Mr. Chairman, I want to submit, to be printed in the hearings, a copy of the agreement dated November 10, 1879, between the Western Union Telegraph Company and the National Bell Telephone Company, a copy of which is found in the Electrical Engineer of August 20, 1895, on page 208.

TELEPHONY.

THE AMERICAN BELL AND WESTERN UNION AGREEMENT OF 1879.

FIRST AND FULL PUBLICATION OF THE EXACT TEXT OF THE FAMOUS COMPACT OF 1879.

Subjoined is given the full text of the famous agreement of 1879 between the American Bell Telephone Company and the Western Union Telegraph Company, by which the former agreed to pay the latter a commission of 20 per cent royalty on its telephone rentals and the latter agreed to abandon its existing exchanges and abstain from all telephone business. This agreement nominally terminates, as will be seen, in November, 1896. It should be studied in connection with the article in this issue of The Electrical Engineer on the remarkable development of the long-distance telephone system as a formidable competitor for business hitherto going over the telegraph wires.

This agreement, made this 10th day of November, 1879, by and between the Western Union Telegraph Company, for itself and for the Gold and Stock Telegraph Company, American Speaking Telephone Company, and Harmonic Telegraph Company, which it represents, party of the first part, and the National Bell Telephone Company, party of the second part, witnesseth:

ARTICLE 1. (1) The party of the second part shall pay to the party of the first part, upon all telephones used in the United States, under any license from the party of the second part, express or implied, unless expressly excepted, a royalty or bonus of 20 per cent of all rentals or royalties actually received or rated as paid in accordance with the provisions of this contract, from licenses or leases for speaking telephones (exclusive of call bells, batteries, wires, and other appliances, or services furnished or performed). The rentals or royalties upon which said royalty or bonus to be paid to the party of the first part is to be reckoned shall, for that purpose, be ascertained by deducting from the gross rental or royalty received or rated as hereinafter declared the commissions and allowances herein provided for.

(2) The royalty or bonus to be paid on telephones made in the United States solely for export and not licensed for use in the United States shall be 20 per cent of the net profit actually derived by the party of the second part in their manufacture and sale above the cost of such manufacture, not including any part of the general expense of the party of the second part as part of such cost, and not including in the manufacturer's profit any enhancement of price fairly due to the fact that the party of the second part holds or in any way controls a monopoly of the use of such telephones in any foreign country other than Canada, if such case shall exist: *Provided, however,* That where the party of the second part shall be in any way interested in the purchase or use of such telephones in such foreign country it shall be at the option of the party of the first part to require an accounting for all telephones so exported as if sold at a fixed profit of 33⅓ per cent upon the cost of manufacture.

(3) Allowance shall be made for rentals or royalties which can not be collected and for usual and reasonable deadhead or free privileges.

ART. 2. Concerning the sum which is to be taken as the gross rental or royalty for the purposes of the preceding article, it is declared and agreed:

(1) The word "telephone," as used in this contract, refers to an instrument for electrically transmitting or receiving articulate speech, and is understood to mean either a transmitting instrument incapable of use as a receiver, a receiving instrument incapable of use as a transmitter, or an instrument capable of being used both as a transmitter and receiver.

(2) Ten dollars per annum for each telephone where only one is used at a terminal or station and $15 per annum for a pair of telephones composed of an instrument used for sending and another instrument used for receiving, used at one terminal or station, are recognized as the present standard rates of gross rentals or royalties; and the party of the second part may change them, subject to the qualifications of sections (4) and (5) of this article, but not otherwise.

(3) Telephones used on exchanges or lines owned in whole or part by the party of the second part, or by auxiliary corporations or organizations in which it is interested, or rented together with lines owned in whole or part by it or by auxiliary corporations or organizations in which it is interested, shall be rated as paying to said second party the said recognized standard rates, or such other rates as may hereafter be established in accordance with this contract for like uses by parties other than the second party or auxiliary corporations or organizations in which it is interested, less the commissions and allowances provided for by this contract; but whenever the party of the second part is or shall be interested with others in the ownership of such exchanges or lines the annual rental or royalty actually charged to and received from the owners thereof for the use of the telephones, if greater than the rates established as aforesaid, shall be taken to be the gross rental for the purpose of ascertaining the stipulated bonus or royalty.

(4) No reduction from the present recognized standard rates which shall be made on telephones used on exchanges or lines owned in whole or in part by the party of the second part, or by auxiliary corporations or organizations in which it is interested, or rented together with lines owned in whole or in part by it, or by auxiliary corporations or organizations in which it is interested, shall operate to reduce said royalty or bonus to be paid to the party of the first part below $1 per annum for each terminal single telephone, and $1.80 per annum for each terminal pair, unless such reduction be made with the consent of the first party, or as provided in the following section:

(5) Whereas it is difficult to determine absolutely and in advance the price which at all times and for all purposes it will be advantageous for the interests of the patents and of both the parties as interested in income derived from royalties and rentals to charge, either with a view of increasing the revenue of the parties hereto from royalties and rentals by enlarging the demand for the instruments, or under circumstances of competition, it is agreed that the party of the second part, in cases where its power to reduce is qualified, as hereinbefore expressed, may reduce the rentals either generally or for a particular purpose, or a particular locality, or a particular licensee or class of licensees, to such sum as may be advantageous as aforesaid for the interests of both parties and as may be determined by agreement of the parties hereto, or as provided in this article. If the parties do not agree as to the propriety of such a reduction, or as to the amount, extent, or manner thereof, then said second party may in writing notify the first party of its desire for a reduction, and shall specify in such notice the reduction it desires and the character thereof, and the reasons therefor, and request the other party to join with it in selecting and appointing three referees. If the parties hereto shall not jointly appoint three referees within seven days from the receipt of such notice, then the moving party may, within seven days after the expiration of said first period, name one referee and notify such appointment to the other party, and request it to appoint another referee within seven days after receipt of notice of such appointment. If said other party shall not appoint a second referee within said period, then the moving party may give to the party in default written notice of the former application and notices, and that the time therein specified has expired, and that the moving party has not received information of the appointment of a referee by the other in accordance therewith, and inclosing copies of said former notices, and the party of the first part, within one week after receipt of the last-described communication, may in writing appoint a referee and notify such appointment to the other party, and thereupon the reference shall be proceeded with as herein provided; and the change specified in the notice first given as above shall be deemed agreed to, and shall ipso facto take effect and be established upon the expiration of the period last above referred to, unless the other party shall appoint a referee as aforesaid within said period. Said two referees shall jointly select and in writing appoint a third within ten days after the appointment of the second of said two. If said two do not select and appoint a third within the period above specified, then the moving party may apply to any

judge of the United States circuit or district court in the cities of Boston, or New York, or Brooklyn, and request him to appoint said board of three referees. Said judge shall not be required to and shall not consider whether any occasion or right to such reduction exists, and he shall act summarily in appointing said three referees, having first given the parties reasonable opportunity to be heard on such notice as he shall think fit. If any judge applied to shall decline to act, then the moving party may apply to some other of the persons above designated. All the three referees, however appointed, shall be disinterested, and not officers nor in the employ of any of the parties named in this contract. An award in writing, made and signed by any two of them, shall stand as the award of the board. Unless the decision is made and notified to the parties within thirty days from the appointment of the three referees the moving party may, at its option, treat the reference as void and inoperative, and a new appointment may be called for in the manner and with the effect herein specified. Said referee shall have power to determine whether occasion for a reduction exists for the reasons stated in the preamble of this section, and if so, then to determine how far, to what extent, and for how long the said limitation on the power of the second party to reduce the rentals shall be removed or modified. After such removal or modification the said limitation as modified, unless and until further changed as herein provided, shall stand and be in all respects in lieu of that hereinbefore declared. During six months after a decision so made no new reference upon the same subject before submitted can be asked for; but during that period either party may apply to the same board of referees, and said board, if it shall find that a new state of facts or new exigencies have arisen and require some change, may make such change in their award as they find occasion for as aforesaid, and such change shall stand and be operative from the time it is made and notified to the parties until further change be made by said board within said period, or by a new reference called for after said period, or by agreement of said parties. If during said period any arbitrator dies, refuses, or for any reason is unable to act, then the vacancy shall be filled by said parties jointly, if they agree, and failing to agree, then by the two remaining referees, and if they do not so appoint within ten days after a request in writing from either party so to do, then the vacancy may be filled by some judge, as hereinbefore provided.

Twenty per cent of the expenses and compensation of the referees shall be paid by the party of the first part and 80 per cent by the party of the second part unless the referees shall otherwise order. The notices herein required to be given may be given to the president or secretary of the Western Union Telegraph Company, or persons acting as such, and to the president, secretary, or treasurer of the National Bell Telephone Company or of its successors, or persons acting as such officers.

It is, however, expressly agreed and further provided that the party of the first part, at any time after the receipt of actual notice of an actual reduction of rates in consequence of its default, as aforesaid, may, in the manner above provided, on alleging and showing to the party of the second part, and upon their failure to join in a reference, as aforesaid, then upon showing to any of the judges above referred to that it did not receive and was not informed of the notices to appoint and the communication of such notice, above described, require and obtain, in the manner above provided, the appointment of a reference to consider any reduction thus fixed by default, and the referees thus appointed may, by award, in whole or in part, restore the former limitation on the power to reduce rates, which restoration shall take effect from the date of said award.

If from any cause a reference twice called for shall fail to produce a valid determination as herein contemplated upon the matter submitted or to be submitted, then the party aggrieved may have such relief or protection in a court of law or equity in the premises by a specific performance or otherwise as such court can afford.

(6) Telephones for speaking-tube purposes—that is, instruments to be used for speaking from one part of the licensee's premises or from one of his buildings to another analogous to the use of speaking tubes—or telephones to be used by institutions of learning for scientific purposes, or telephones for connecting persons and families for social or household purposes only, not connecting with any exchange or central office; and telephones which are not to be used in circuit with any exchange or central office, and are not rented together with lines owned by the party of the second part directly or indirectly or by any auxiliary organizations in which it is interested, may be put out either at lower rentals than the standard or at a gross sum to be paid in one payment, according to the discretion of the party of the second part; and in respect of such telephones the royalty or bonus is to be 20 per cent of the reduced rental or gross sum, less commissions actually paid as herein provided.

(7) The party of the second part may increase the established annual rate either generally or upon telephones used for any particular purpose or by any particular class of licenses, from time to time at its discretion, and such higher rates while in force shall be taken to be the gross rentals or royalties in respect of the telephones for which they are obtained.

(8) The limitations on reductions herein contained shall not apply after the expi-

ration of the patent of the United States No. 186787, granted to Alexander Graham Bell January 30, 1877, which patent will expire January 30, 1894, unless some other patents owned by the said party of the second part, or under which it has exclusive licenses, shall operate to control the use of all speaking telephones substantially as they are now controlled by the patents represented by the two parties hereto.

ART. 3. (1) In ascertaining rentals on which the royalty or bonus is to be paid to the party of the first part there shall be deducted from the gross rentals the following commissions and allowances:

On telephones used in district or exchange systems owned in whole or in part by the second party, or by auxiliary corporations or organizations in which it is interested, an allowance or commission of 30 per cent.

On telephones taken by the first party for private lines as hereinafter provided, or used by the second party on its own lines or put out by it, by its own officers or servants for any use other than on district or exchange systems in which it is interested as aforesaid, 25 per cent; and the party of the first part, or those it represents, shall be allowed said abatement of 25 per cent from the standard rentals upon telephones leased to it or them, except where contracts heretofore entered into by said party of the second part oblige it to pay such rate or a higher rate of commissions to its present licensees.

Upon all telephones other than the foregoing, such rate of commission as shall actually be paid, not to exceed 40 per cent, except so far as existing contracts may call for higher rates.

ART. 4. (1) The party of the first part shall bear and pay 20 per cent and the party of the second part 80 per cent of all reasonable legal expenses incurred in ascertaining, investigating and determining, and in prosecuting and defending rights which the party of the second part may have, claim, or wish to acquire, pertaining to telephones or the right to use telephones, or to inventions used in telephones, and concerning patent rights which it or others may claim respecting the same, including expenses in suits and in proceedings in the Patent Office relating to such rights or to the collection of rentals or royalties on telephones. Expenses incurred in whole or in part in respect to inventions or improvements which are or may be used otherwise than in telephones shall be apportioned, and such part thereof as may be justly chargeable to the telephone interest shall be borne by the parties hereto in the proportion above stated, and such part thereof as shall justly be chargeable to other interests shall be borne by the owners thereof.

(2) The party of the second part may, from time to time, acquire such inventions and improvements in telephones as it shall deem advisable, and may introduce such of them as it sees fit into the construction of telephones put out to its licensees, and to reimburse itself for the cost thereof may charge an additional price to its customers beyond the price then previously charged, but such an increase shall not operate to increase the royalty or bonus payable to the party of the first part hereunder until said second party shall have been so reimbursed, unless said first party shall elect and assent to bear and pay 20 per cent of such cost. Or if the party of the second part shall deem it advisable not to raise the price as aforesaid, then the party of the first part shall bear, pay, and be charged with 20 per cent of said cost actually and in good faith incurred and paid, and the party of the second part shall bear, pay, and be charged with 80 per cent thereof: *Provided*, That if such payments are for rights which extend beyond the duration of this contract, or which are to be applied to purposes other than telephonic, then only a pro rata proportion, according to time or the purpose for which they are used, shall be borne by said first party: *And provided further*, That if the purchase of any one patent calls for an absolute payment exceeding $10,000 no portion of the excess over that sum shall be charged to the party of the first part, unless it shall consent (and full opportunity shall be afforded it to do so) or it be determined by the board contemplated in article 2, or by some other competent tribunal, that it should be so charged in respect of such excess; and said board shall so determine if or so far as they shall find that said purchase was prudently made for the benefit of the parties hereto. Said second party shall call for said reference, and the referees shall be appointed, and such proceedings shall be had in reference thereto as are provided in said article 2, so far as they can apply; and the questions submitted by the notice calling for said reference shall be determined by the default of the party or the decision of the referees, as therein provided; and the determination so arrived at shall be final and conclusive upon the questions so submitted.

ART. 5. (1) The party of the first part, for itself and those it represents, as aforesaid, hereby grants to the party of the second part, as far as they or either of them have the legal power so to do, an exclusive license during the full terms for which patents thereon have been or may be granted, to make, to use, and to license others to make and to use in speaking telephones, call bells, and switches, and other appliances for use on telephonic lines, any inventions or improvements therein which it, or those whom it represents, as aforesaid, now own or control, in whole or

in part, by contract or otherwise, under which it or they have the authority to grant such license, and whether already patented or not, and which the party of the second part shall not otherwise have the right to use; reserving, however, to the party of the first part, and those it represents, the right to use said inventions in switches, call bells, and appliances other than telephones in connection with the telephones which they are or may become entitled to use under this contract. Instruments or apparatus made under this license shall be deemed to be licensed only for the uses above named, and not for any other purpose.

(2) And the first party further agrees to acquire any further inventions adapted to be used in connection with telephones which it may have the right to so acquire under existing contracts with George M. Phelps and Thomas A. Edison, and to license the second party under the same for use in telephones or on telephone lines, the second party agreeing to pay to said first party in reimbursements whatever the said first party or those it represents may be required to pay therefor under the ninth, tenth, eleventh, and thirteenth clauses of the agreement between Thomas A. Edison and the Western Union Telegraph Company, dated May 31, 1878, and whatever it may be required to pay said Edison under the contract between the same parties, dated May 12, 1879, and whatever it may be required to pay George M. Phelps in addition to his salary of $3,300 therein referred to, to acquire his inventions under the contract between him and the Western Union Telegraph Company, dated January 20, 1876, or a due and proportionate part thereof, in case said inventions shall also be applicable to uses and purposes other than telephonic, said licenses to be exclusive during the term of this contract, and to continue but not to be exclusive thereafter. The character and extent of such license shall be taken into account in arriving at a fair proportion of the actual cost thereof.

(3) And if the parties of the first part shall hereafter acquire ownership or control as aforesaid of other inventions adapted to be used in connection with telephones the second party shall have the right or license to use the same for telephonic purposes, and shall be bound to pay to the party of the first part the cost thereof, or a due and proportionate part of said cost. Such right or license shall be exclusive for telephonic purposes during the whole period of this contract, and shall continue, but shall not be exclusive after its expiration. The character and extent of such license shall be taken into account in arriving at a fair proportion of the actual cost thereof.

(4) Said second party will pay on instruments which shall be made by or for it the royalties specified in Schedule A, hereby referred to and made part of this agreement, so far as the first party or those it represents shall be bound to pay the same under the contracts therein referred to, unless it may have the right to make and use such instruments irrespective of this contract and of the contracts referred to in said schedule by reason of the invalidity of the patents therein referred to, or otherwise, in which cases it shall not be deemed to be acting under any license from the party of the first part or those it represents; but it hereby agrees to indemnify the party of the first part and those it represents for any such royalties it or they may be legally bound to pay by reason of any use by the party of the second part.

(5) This contract shall operate as a release to the parties hereto, and those they represent, and their respective licensees and predecessors, for all claims for infringement of patents on which suits are now pending, in which said parties or any of their licensees or predecessors are parties, and all claims for infringement of other patents or inventions owned or controlled by them, or either of them, growing out of, or based upon, the manufacture or use of telephones now used in territory to which this contract applies at once; but as to telephones in territory to which it does not apply at once, it is not to operate as such release (and each party stands on its own right in such conflicting territory) until settlements are made and interests harmonized as hereinafter provided, or until the parties hereto agree that it shall operate as a release upon telephones in such localities, and in either of such cases it shall thereupon operate as a release in respect of telephones in such locality.

ART. 6. Except as herein provided the first party and the companies it represents agree to withdraw from the manufacture, rental, and use of telephones.

ART. 7. The party of the first part agrees to give assistance and cooperation in developing and extending the use of the telephones of the party of the second part; and that the party of the second part shall, during the term of this contract, and when in the judgment of the first party it shall not interfere with the enjoyment and use of the same by said first party for telegraphic purposes, have permission to build lines under any franchises, contracts, licenses, or rights of way enjoyed or controlled by the party of the first part, or to use any poles, fixtures, structures, or plant of said first party, upon reasonable terms, subject, however, to a revocation of such license to use any poles, structures, fixtures, or plant, at any time, by reasonable notice to the party of the second part.

ART. 8. Whereas it is intended as a part of this agreement that all telephones heretofore put out under lease or under license by and from the party of the first

part and those it represents shall, without any exception (except temporarily where this contract does not at once apply), become the property of and come under lease and license from the party of the second part, and, when so transferred and placed under lease and license in accordance with the terms hereof, shall not be pursued or treated as infringing instruments in respect of any use thereof prior to the date of this agreement;

And whereas it is also intended that all telephone exchanges which have heretofore been established by the party of the first part or those it represents, or by or under contracts with them or some of them, shall, together with their plant, be transferred to the party of the second part and become its property, and that all interests of the party of the first part or those it represents, whether as holders of stock or other interests in telephone exchanges or corporations or organizations owning or maintaining exchanges, shall be transferred to the party of the second part and become its property, except in the localities named in section (5) of this article;

And whereas the party of the second part or its predecessors, owners of the Bell patents, have heretofore granted certain licenses and made certain contracts, exclusive in their character to a certain extent, which may render it impracticable or improper for it to so accept and license some of said telephones and exchanges without the consent of the grantees of such previous licenses who are not parties hereto; and whereas the party of the first part, or those it represents, may not be legally able to transfer some of said property or interests without the concurrence of third parties, so that certain of the transfers desired can not be made or can not be accepted and the intended licenses given until arrangements or modifications of contracts can be made with one or both the present licensees claiming conflicting rights (as may be necessary in each case) which will permit the transfers and licenses so intended and desired to be made and granted;

Now, therefore, it is agreed as follows:

(1) In the places named in Schedule B, hereby referred to and made part of this agreement, in which places it is understood that no such conflict exists, the exchanges and interests in exchanges owned by the party of the first part, or those it represents, and all the property connected with such exchanges, including contracts of the subscribers, and all telephones in said localities shall forthwith be transferred and delivered to and put under lease or license from the party of the second part and paid for by it as hereinafter provided, except that telephones which already belong to the party of the second part are not to be again paid for. All the interest owned by the Gold and Stock Telegraph Company in the American District Telegraph Company at Boston is to be included in the transfer provided for by this section.

(2) In the places named in Schedule C, hereby referred to and made part of this agreement, in which places it is understood that the party of the first part, or those it represents, are sole owners of all the exchanges established and all the telephones put out by or under it or them, but in which the party of the second part has granted licenses which may conflict as aforesaid, the party of the first part, and those it represents, will transfer all such exchanges and telephones to the party of the second part, who will accept and pay for said exchanges, and accept, pay for, and license said telephones as herein provided, but the party of the second part shall not be required to take, pay for, and license the same as aforesaid until opportunity has been afforded for the requisite arrangements to be made as aforesaid with its licensees, or it shall elect to accept, pay for, and license the same without waiting for such arrangements to be made.

(3) This contract shall not operate upon nor affect the telephones and exchanges in the places specified in Schedule D until arrangements have been made with owners or part owners of exchanges therein who are not parties hereto, or until the parties hereto shall agree that it shall operate therein. But the provisions of sections (8) and (9) of this article shall apply to such localities. Upon the transfer of said interests the parties hereto, and those represented by them, will use their best endeavors to cause all telephones in said localities which have been manufactured or furnished by or on behalf of the first party, or those it represents, to be transferred to and put under license from the party of the second part as aforesaid, and the same shall thereupon be accepted, paid for, and licensed by said party of the second part as herein provided.

(4) With regard to the price to be paid by the party of the second part to the party of the first part for instruments and all properties and interests to be transferred hereunder it is agreed as follows: For the instruments specified in Schedule E, hereby referred to and made part hereof, there shall be paid the amounts therein specified, respectively, or a proportional part thereof upon the delivery of a portion of said instruments less than the whole number specified, payment to be made upon delivery of the same as herein provided; and in renting such of said instruments as include a transmitter, call bell, and switch, being the twenty-two kinds first named in said schedule, the party of the second part may charge a rent or price for

the call bell and switch in addition to the standard rent of the telephone itself, and an amount of such additional rental not to exceed $3 per annum for a period which shall yield an amount equal to $9 on each instrument shall be rated as applying to the call bell and switch in said instruments, and on this amount no royalty or bonus shall be paid to the party of the first part. In addition to the sums specified in said schedule the party of the second part will pay the royalties of 20 or 25 cents a switch which have been paid on switches included in said schedule and made under contract with T. B. Doolittle or H. L. Roosevelt. All exchanges which the party of the first part or those it represents have established and own, and all interests, entire or partial, which are to be transferred hereunder, acquired by them in other exchanges or in corporations owning exchanges, are to be paid for when transferred at the actual cost to the party of the first part or those it represents, at the time of transfer, of establishing, or purchasing the same, not taking into account any profits or losses in operating the same nor legal expenses in patent suits. Exchanges and exchange plant (which are to be paid for at actual cost) include wires, lines, poles-fixtures, and other appliances, and also all call bells, batteries, switches, and switch, boards which are in use or on hand fit for use, and are owned and paid for by the exchange, but where the telephone lines have been placed upon poles or fixtures erected for telegraph lines such poles and fixtures are not to be transferred, but the party of the second part may continue to use the same under and subject to the provisions of article 7. In cases where the value, cost, or price remains to be fixed or ascertained, if the same can not be agreed upon by the parties hereto, it shall be appraised, fixed, or determined by two disinterested experts, one to be chosen by each party; and if the two so chosen can not agree they shall choose a third, and the decision of the majority shall be binding upon the parties.

(5) The undertaking of the party of the first part, and those it represents, to transfer all their interests in telephonic district or exchange systems, and corporations or organizations owning them, shall not be held to include the stock interests of said first party and those it represents in the "Philadelphia Local Telegraph Company," "The Central District and Printing Telegraph Company" of Pittsburg, the "Gold and Stock Telegraph Company of California," the "Michigan District Telegraph Company" of Michigan, which companies have some interests in telephonic exchanges; nor to include their interests in the properties (other than telephones) in the exchanges within 33 miles of New York City Hall. The party of the first part and those it represents will, as soon as local conflicting interests can be harmonized, transfer to and put under lease and license from the party of the second part, upon its acceptance and payment for the same as herein provided, all telephones in said New York territory, and in the localities covered by the companies above mentioned, and will use their best endeavors to procure this to be done as soon as possible.

(6) As to all telephones heretofore put out by the party of the first part or those it represents, for uses for which it or they are entitled to be furnished with telephones as provided in article 14, they shall transfer the title in the same to the party of the second part, and thereupon shall receive leases and licenses for the same in accordance with this contract, and the party of the second part shall pay for such telephones as herein provided. In all cases where the party of the first part or those it represents are to be licensees of telephones now out and the title in which under the provisions hereof is to be transferred forthwith, they shall begin to pay the rental and royalty thereon and licenses shall issue as from the day this agreement takes effect, and at the present recognized standard rate until some other shall be established in accordance with the provisions hereof. But any such telephone which can not be so transferred, accepted, and licensed, by reason of conflicting or inconsistent rights heretofore granted by the owners of the Bell patents to their licensees, shall not be paid for nor shall the rent or royalty thereon begin until such conflicting interests can be harmonized as herein provided so as to permit such transfer, unless said second party shall elect sooner to take, pay for, and license the same; and until such transfer the provisions of this contract shall not apply to any telephone so situated, and the party of the first part and those it represents shall, in the meantime, stand as they would have done with reference thereto had this contract not been made.

(7) All telephones as to the transfers of which special provision has not been hereby made are to be transferred to and paid for by the party of the second part, and by it licensed directly to customers and users forthwith in the manner and with the effect herein provided, or as soon as practicable, as aforesaid.

(8) With respect to the telephones and the telephone exchanges and properties and interests the transfers of which may be delayed by reason of conflicting claims or interests as hereinbefore provided, it is agreed that both parties will use their best endeavors and due diligence to arrange with their respective licensees and associates such modifications of existing obligations as will allow said transfer to be made at the earliest possible date. Until such time the parties of the first part will

not transfer any of said properties (except so far as existing contracts may legally require them) to any person or party unless approved by the party of the second part.

(9) And the party of the first part, for itself and those it represents, agrees that previous thereto any of said exchange properties shall be transferred at said cost price, on request, to any party approved by the party of the second part, who shall not be a competitor in the telegraph business with the Western Union Telegraph Company, suitable provision first being made to protect from oppression the rights and interests of local and associate owners of the exchanges and exchange plant.

(10) And said first party also agrees that suitable accounts, statements, and information shall be seasonably furnished to the party of the second part for the purpose of or to assist in ascertaining the price to be paid for all properties and instruments which the party of the second part is to or may take and pay for under this contract.

(11) Telephones which have been sold by the party of the first part, or those it represents, to institutions of learning and to the Government of the United States shall be deemed to be licensed by the party of the second part, and shall not be made the basis of any claim for infringement.

ART. 9. As to each locality named in Schedules C and D in which the transfer of the exchanges and telephones may be delayed, as provided in sections (2) and (3) of article 8, and as to each locality mentioned in section (5) of said article in which the transfer of telephones may be delayed as provided in said article, and as to all telephones (not used on exchanges) in localities where the acceptance of telephones is delayed, as provided in (6) and (7) of said article, it is agreed, so far as the conflicting class may extend, that, until the time shall arrive for the transfer for such locality to be made as in said sections is provided, the parties hereto, respectively, and the owners or users of telephones or telephonic appliances, claiming or holding under persons whose claims create the conflict and give rise to the delay, shall not have the benefit of any immunity or protection from suits by reason of this agreement or anything done hereunder or in consequence hereof, unless and until the parties hereto shall otherwise determine by a writing hereafter to be made; and nothing herein contained shall operate directly or indirectly, expressly or impliedly, as a license to any such person or party to use telephones or telephonic appliances within such locality, nor shall it in any way interfere with or affect the obligations which the parties to this agreement may be under, respectively, to their said licensees, or with any rights of the first party to supply telephones in such conflicting territories as provided in article 11. No royalty or bonus shall be paid in respect of telephones used within such localities and not entitled to the protection hereof, unless actually accepted and licensed as provided in article 10.

ART. 10. (1) All telephones and apparatus which are to be taken, paid for, and licensed by the second party hereunder shall be placed under written leases and licenses from it, in such form and at such rentals as said second party shall establish under the provisions of this contract, not different from those at the same time established for other telephones used for like purposes; and the transfer shall not be deemed to be complete nor shall the second party be required to accept, pay for, or license any instrument until it shall be pointed out, earmarked, and such delivery made of it as the nature of the case will permit. No telephone shall be deemed to be accepted and licensed under the patents of the party of the second part, nor shall any person be entitled to any immunity whatsoever from claims for infringement of any patent by reason of the manufacture or use of such telephone, nor shall it be required to be paid for by the party of the second part until it shall be so delivered and put under written lease or license hereafter to be made, or delivered into the actual possession of the party of the second part, or shall be designated, earmarked, and offered to be put under such lease and license by the parties entitled so to do, including the party in actual possession and the party undertaking and bound to pay rental and royalty therefor. When any telephone shall be so accepted, leased, and licensed, or shall be so offered within three months from the date hereof, and, under the provisions of this contract, be required to be accepted and paid for, its manufacture and use, prior to such time, shall not be made the basis of any claim for infringement of any patent.

(2) But the second party may, at any time it sees fit, after the expiration of six months from the date hereof, take from the party of the first part or those it represents any existing telephone (except those which the party of the first part or those it represents are entitled to have and use under the provisions of article 14, and those which under article 9 are temporarily excepted from the effect of this contract), with the existing license or contract for license for the same with all the rights of the owner or licensor, by a written notice to that effect given to the party in actual possession of the telephone, and also to the party of the first part, and thereupon it shall be entitled to receive the rental and royalty therefor, and be *bound to* take and pay for the same as herein provided. In such cases the bonus or

royalty to be paid to the party of the first part under article 1, during the continuance of such existing lease and license, shall be 20 per cent of the rental actually received under the terms thereof; and in respect of all rights and interests transferred as provided in this article, said second party may, so far as necessary, but at its own expense, use the name of the first party or those it represents to maintain and enforce all the rights and interest legally or equitably coming to it upon or by such transfer.

(3) The rental of the telephones transferred or required to be transferred to the party of the second part hereunder shall, from the time such transfers shall be or ought to be made, accrue to and be collected by said second party, subject to the payment and allowance of the royalty, bonus, and commissions hereinbefore provided. When all such transfers have been made, and the conflicting interests of the respective licensees shall have been so far harmonized as to enable said first party to cease to manufacture and supply telephones as provided in article 11, then said second party will receive and pay for all the remaining property belonging to said Gold and Stock Telegraph Company and American Speaking Telephone Company of the character specified in Schedule E at the prices therein stated. All telephones made for use after November 1, 1879, are to be paid for at actual cost when transferred.

ART. 11. (1) The first party reserves all such rights as it now possesses to continue to manufacture and supply its own telephones, notwithstanding the stipulations of this contract, to its own exchanges already established and in actual operation and subscribers thereto, and to its licensees, until the local conflicting interests between the respective licensees of the two parties hereto can be harmonized and until any property of said first party at such places shall be turned over to said second party and paid for, as hereinbefore provided; but said first party shall organize no new exchanges, nor grant any new or additional licenses (except to additional subscribers to exchanges already established) creating new or additional conflicts or complications except within the radius of 33 miles from New York City Hall, and within the territory covered by the Ormes contract hereinafter referred to; and such places where such conflicting interests of licensees exist shall, until they can be so harmonized, be exempt from the operations of this contract as aforesaid.

(2) But it is distinctly understood as an essential feature of this contract that all the telephone district or exchange systems except those within the radius of 33 miles from New York City Hall, and within the territory covered by said Ormes contract, are to be transferred to and accepted by the party of the second part at the earliest possible day, and that their continuance in the hands of the party of the first part during the meantime is merely to give an opportunity for local interests to become harmonized and to avoid inconvenience to the public, and not as a source of revenue or advantage to the party of the first part or those it represents.

ART. 12. (1) The right to all uses of the telephone on wires of a district or exchange system is to remain exclusively with the party of the second part, excepting such temporary suspension of the application of this contract to certain localities, as has been already herein provided for.

(2) For the purpose of this contract it is agreed that an "exchange" or "a district or exchange system" applies to a system in which different stations on the same or different circuits, and either within any city or town or within a radius of 15 miles of a central office (or within wider limits, where existing contracts have granted wider limits), are connected with such central office or branch offices within said territory for the purpose of placing subscribers or other parties by such circuits in communication with such central or branch offices or with each other, either directly or through the agents of the system.

ART. 13. (1) The right to connect telephonic district or exchange systems for the purpose of personal conversation between persons at the instruments, and the right to use telephones on all lines not forming a part of a telephonic district or exchange system for such personal conversation (except so far as licenses for private lines are to be granted to the party of the first part under article 14) are to remain exclusively with the party of the second part and those licensed by it for the purpose. But such connecting and other lines are not to be used for the transmission of general business messages, market quotations, or news for sale or publication in competition with the business of the Western Union Telegraph Company or with that of the Gold and Stock Telegraph Company. And the party of the second part, so far as it lawfully and properly can prevent it, will not permit the transmission of such general business messages, market quotations, or news for sale or publication over lines owned by it, or by corporations in which it owns a controlling interest, nor license the use of its telephones or patents for the transmission of such general business messages, market quotations, or news for sale or publication in competition with such telegraph business of the Western Union Telegraph Company or that of the Gold and Stock Telegraph Company.

(2) The terms "general business messages" and "telegraph messages," or "messages for hire," are defined to mean all communications in behalf of other parties than

those who directly communicate by the telephone by themselves or their servants or agents personally present at the instruments; and no person engaged in the business of transmitting messages for other parties shall be authorized or knowingly allowed by the party of the second part, or its servants or agents, to transmit such messages through the telephone.

(3) It is, however, understood that the stipulations of this contract relating to the transmission of telegraph messages shall not operate to restrain the renting of telephones by the party of the second part to railroad companies for strictly railroad messages, or for general business messages in connection with the Western Union Telegraph Company or its auxiliary corporations or organizations, nor so as to restrain, impair, or affect the right of the party of the second part to use telephones by themselves or their licensees for all purposes in territory not occupied or covered by the Western Union Telegraph Company or its auxiliary corporations or organizations, nor from contracting with the Northwestern Telegraph Company and other companies as to territory not occupied or covered by the Western Union Telegraph Company or its auxiliary corporations or organizations at the time such contracts or licenses are made, or with the Government for lines in the Territories, or for Government lines for Government messages in the States. For the purposes of this contract the Western Union Telegraph Company is deemed to occupy and cover all the thirty-eight States of the United States, the District of Columbia, and the Territories of Washington and Utah, except the territory of the Montreal Telegraph Company, to wit, that part of the State of New York which is west of Lake Champlain and north of a line drawn from Whitehall to Oswego, and except the territory of the Northwestern Telegraph Company, to wit, the State of Wisconsin (except the line between Chicago and Milwaukee), the State of Minnesota, that part of Iowa which is north of Sioux City, and the upper peninsula of Michigan, and except all that part of Florida which is not reached by the lines of the International Ocean Telegraph Company or of the Western Union Telegraph Company.

(4) The party of the second part will not knowingly grant any license to use telephones for any purpose for which it agrees not to use them as specified in this article, and it will insert in all its licenses such apt and suitable restrictions as under the advice of counsel are deemed reasonable and proper to that end, and upon notices of any breach thereof will use all reasonable means to enforce the performance and observance of the same. But it is understood that the party of the second part is not to be held responsible for any breach of the stipulations of this article and article 15 of this contract not committed by its officers or servants unless it had reasonable notice and failed to use reasonable means to prevent it.

(5) The whole expenses of litigation, if any shall arise with third parties in consequence of the stipulations of this article relating to the transmission of general business messages, market quotations, or news for sale or publication, or acts in pursuance thereof, or attempts to enforce the same, shall be borne by said Western Union Telegraph Company. Said last-named company shall also have the control of all such of said suits as do not bring in question the validity, construction, or effect of or title to the patent rights of the party of the second part, or any of them, whether held by ownership or license, and for that purpose it shall be the duty of said second party to give due authority to such counsel and such attorneys in law or in fact as the Western Union Telegraph Company may nominate to institute, appear in, and conduct such suits in the name of the second party if necessary.

ART. 14. (1) The party of the second part will fully license the party of the first part to use telephones procured from it for transmitting telegraph messages, and for use on private lines, with the right to sublet the use thereof along with such private lines, for such purposes as such private lines have been and are being used, except in territories where exclusive agency contracts inconsistent with this agreement to license already exist, and during the continuance of such agencies, in which cases they may obtain them from such agents.

(2) For the purposes and uses aforesaid the party of the first part shall be furnished with telephones, with licenses from the party of the second part to use such telephones and other inventions owned or controlled by it for use in connection with telephone lines, on terms which may be established from time to time, and which shall be as favorable as those on which they are furnished to any other parties for like uses, and shall be allowed a discount as provided in article 2.

(3) The party of the second part shall have the right from time to time to incorporate in its leases and licenses such apt and suitable stipulations as it may deem requisite for the control, preservation, and protection of its telephones in the hands of licensees, to secure the payment of royalties and rentals, to protect itself against the application and use of telephones for uses different from those for which they are rented or licensed, and to aid it in protecting the patents owned by it or under which it has licenses, and its title thereto, from infringement or attack, and it may prescribe and require the party of the first part to incorporate such stipulations into all licenses, leases, and subleases of telephones granted by it; but no stipulations shall be incorporated in the licenses and leases to the party of the first

part or prescribed as aforesaid, for the licenses and leases to be granted by it, different from those in use for other licenses for like purposes.

(4) For the purposes of this contract "private lines" are understood to refer to telephone lines, each consisting of a single circuit on which telephones are to be used for the individual and private business of the individuals, business firms, or corporations leasing the same. Such telephones are not be used by any other parties than those leasing them, except on business of the parties so leasing, nor is any business to be transacted by or through them for a consideration or toll to be paid by other persons than those so leasing them. Such private lines or circuits shall not extend more than than 25 miles beyond the municipal limits of the city or town in which one end of the line is situated, nor shall any one line or circuit be used for more than two individuals, firms, or corporations at each end, nor shall any two or more lines or circuits be connected.

ART. 15. (1) The second party will turn over and deliver to the Western Union Telegraph Company, of the first part, or its agents exclusively, all messages for transmission to other points by telegraph, collected by or coming on the wires or within the control of its telephonic exchanges or district systems or those of its licensees, wherever the first party has wires and is prepared to receive or transmit the same, so far as said second party can lawfully control the same, and unless otherwise specially directed by its customer; but will not solicit such special direction nor receive and pay tolls for transmission over other lines, unless compellable by law so to do. And the first party shall forward the same to destination, subject to its established rules and regulations, upon payment of regular tolls, and pay to said second party a commission of 15 per cent on all the tolls received for transmitting such messages over its lines; the commission not to include tolls for the transmission over other lines, nor tolls for transmitting cable messages. For delivery service of telegraphic messages made through said second party or its licensees, and for collecting through a messenger service for delivery to said telegraph company, the party of the first part will pay a fair compensation, the same that is paid to district telegraph companies for similar services.

(2) If the second party, for the purpose of doing a general telegraph or telephone business, shall connect a telegraph station of the Western Union Telegraph Company by a branch line, with any place in territory occupied or covered by the Western Union Telegraph Company which has no Western Union line or office, it shall turn over and deliver to the Western Union Telegraph Company, exclusively, so far as it has legal power to control the same (unless it be specially directed by the customer sending the same that they be forwarded by some other route) all messages collected from such points so connected. And said Western Union Telegraph Company will, as hereinafter provided, receive and forward the same upon payment of regular tolls, and pay to the second party or its agents a commission of 10 per cent upon the tolls received for transmitting such messages over the Western Union Telegraph lines (cable messages excepted from such commission); and there shall be added to the rate of tolls to be collected from customers a further rate not exceeding 10 cents per message of ten words on such branch lines of the length of 10 miles or less, and 5 cents additional per message of ten words for each additional 10 miles or fraction thereof in length of said branch lines, and at the same rate for longer messages; such tolls so added shall belong to the party of the second part.

(3) When the second party shall have constructed such branch lines to such new points within the territory occupied or covered by the Western Union Telegraph Company, but not theretofore reached by its telegraph lines, and the telegraph company of the first part shall thereafter elect to construct its lines of telegraph to such new points, it shall, if required by said second party, take and pay for the lines of the second party at cost, and also pay said second party the commission provided in section (2) of this article on all the business taken at such point for the period of twelve months thereafter. But if the party of the second part shall elect to keep its own lines, the provisions contained in article 13 against the transmission of general business and other messages shall apply to such line.

(4) Where any messages are to be delivered between the parties through the telephone, said party of the first part is to afford to the party of the second part, at the expense of the second party, the facilities for providing a telephone connection between its office and the office of the district exchange or branch line, and shall at its own office, without further cost to the party of the second part or its licensees, receive or transmit said messages over said connecting line by its own clerks, who for that purpose shall be the agents of the second party and subject to its rules and regulations.

(5) It is also agreed by the party of the first part, for itself and those it represents, that it will not connect its telegraph lines with any telephonic district or exchange system other than those licensed by the party of the second part, so far as it lawfully can refrain from so doing, except in districts and during the time temporarily excepted from the operation of this contract.

(6) All messages or communications of customers delivered by either of the par-

ties to the other for further transmission over its telegraph or telephone lines, as the case may be, shall be deemed to have been delivered and received subject to such established rules, regulations, and conditions of the receiving company as may have been established and promulgated by it for the government of its business and not otherwise; and for the purpose of regulating and limiting the responsibility of the party receiving from the other a message or communication in this manner, it shall be the duty of the company receiving the message directly from the customer to require his assent to such rules, regulations, and conditions of the other company by writing his message or communication upon the regular contract blanks of such company, or blanks containing an equivalent contract, or in such other manner as may be generally required by such company for that purpose from its direct customers; and if either company dealing with the customer in the first instance shall fail in the duty last above stipulated, it shall hold the other company harmless from all claims for damage which it may be compelled to pay to the customer because of the absence of a contract arrangement with such customer subjecting the business in question to such established rules, regulations, and conditions of the company thus rendered liable to the customer; the object of this stipulation being to limit the responsibility of each party to matters happening upon its own lines, and to secure the regulation of that responsibility in respect to all business originating beyond its own lines, in the same manner as such responsibility shall be regulated in respect to business beginning, continuing, and terminating upon its own lines. Whenever any such rules, regulations, or conditions shall be established or modified by either party, the same shall be notified to the other party.

ART. 16. The existing suits and interferences shall be disposed of as counsel of the parties of the first and second part may advise, to recognize and protect the rights of the several inventors to their respective inventions, subject to the orders of the courts and the decisions of the Patent Office.

ART. 17. This contract shall go into effect as of the first day of November, 1879, and shall be and remain in force until the expiration of seventeen years thereafter. It shall cover the whole territory of the United States, except that included in the Ormes contract (which territory shall be included in this contract upon the expiration of said Ormes contract), and those conflicting localities hereinbefore referred to and temporarily excepted, and shall cover them as soon as those exceptions expire. Said Ormes contract is a contract dated August 26, 1879, to which James M. Ormes, the Western Union Telegraph Company acting for the same parties as in this contract, and the National Bell Telephone Company are parties. The territory covered by it is as follows: West Virginia south of the Baltimore and Ohio Railroad, Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama. For the further contents of said contract, so far as is material, reference thereto is hereby made.

ART. 18. (1) The party of the second part shall keep in regular books for that purpose accounts of the number of telephones manufactured, licensed, and put out for use in the United States, and also of the rentals received and commissions or allowances paid or allowed as herein provided and of the number manufactured and sold in foreign countries and the amount received therefor. And said accounts shall, at regular quarterly intervals and at all reasonable times be open to inspection by the party of the first part, for the purpose of ascertaining the royalties or bonus due hereunder, and of verifying the accounts rendered, and copies of said accounts shall be rendered at the time of the quarterly accounting. Tolls collected by the one party for the other, and commissions on telegraph business, shall be paid monthly at the place where business is exchanged. All accounts for royalties and all other unsettled accounts shall be settled and the balance paid on the first day of February, May, August, and November, up to the first day of the preceding month. All such accounts shall be verified by oath of the person having the best knowledge of the facts. Payments of the balances resulting from such accounts shall be made to the treasurer of the Gold and Stock Telegraph Company as representative of the party of the first part, or the treasurer of the second party, as the case may be, or such other persons in Boston or New York as the respective parties may from time to time appoint. Such persons shall have authority to settle all said accounts and to receipt for the money.

(2) The party of the first part or its said representative is to be promptly notified of all reduction of rentals.

ART. 19. It is understood and agreed that nothing herein contained shall be construed as imposing upon either party any obligation to do or not to do at any time anything contrary to law; and if anything herein covenanted or contemplated to be done or not to be done shall be or become contrary to the law of the land, the consequent inability and failure to perform the same shall not operate as a dissolution of this contract, nor to give to either party a right of action against the other.

ART. 20. All the provisions and stipulations herein contained and described as incumbent on or for the benefit of the parties hereto shall be incumbent on or for the benefit of their respective successors or assigns.

In witness whereof said Western Union Telegraph Company hath caused these presents to be subscribed by its president, and its corporate seal to be hereto affixed by its secretary, and said National Bell Telephone Company hath caused its corporate seal to be hereto affixed by its clerk and these presents to be subscribed by its president and treasurer on the day first above written.

THE WESTERN UNION TELEGRAPH COMPANY,

By NORVIN GREEN, *Prest.*

Seal Western Union Tel. Co,

Attest:
A. R. BREWER,
Sec'y.

THE NATIONAL BELL TELEPHONE COMPANY,

By W. H. FORBES, *Prest.*
GEO. L. BRADLEY, *Treas.*

Seal National Bell Telephone Co.

Attest:
CHAS. EUSTIS HUBBARD,
Clerk.

The above-named Gold and Stock Telegraph Company, American Speaking Telephone Company, and Harmonic Telegraph Company hereby acknowledge the authority of the Western Union Telegraph Company to represent and act for them in the matters embraced in the foregoing contract, and agree to be bound by and carry out its provisions, it being understood and agreed by and between said named parties that the royalty and bonus upon telephones, herein provided to be paid to the said Western Union Telegraph Company, shall be paid to the said Gold and Stock Telegraph Company for the use and benefit of said American Speaking Telephone Company.

In witness whereof said parties have severally caused these presents to be subscribed by their respective presidents and their corporate seals to be hereto affixed by their respective secretaries on the day of the date of said contract.

THE GOLD AND STOCK TELEGRAPH COMPANY,
By GEORGE B. PRESCOTT, *Vice-Prest.*

Seal Gold & Stock Tel. Co.

Attest,
J. D. REID,
Sec'y.

THE HARMONIC TELEGRAPH COMPANY,
By E. W. ANDREWS, *Prest.*

Seal Harmonic Telegraph Co.

Attest,
H. H. DUNCKLEE,
Sec'y.

THE AMERICAN SPEAKING TELEPHONE COMPANY,
By NORVIN GREEN, *Vice-Prest.*

Seal Ameri'n Speaking Telephone Co.

Attest,
J. D. REID,
Sec'y.

SCHEDULE A.—The royalties which are referred to in (4) of article 5 are:

A royalty of 20 cents per switch under a contract between the Western Union Telegraph Company and Thomas B. Doolittle, dated June 14, 1879, relating to said Doolittle's patent, No. 209115, granted October 22, 1878. The Western Union and Gold and Stock Telegraph Companies have, under said contract with Mr. Doolittle, made and paid him royalty on upward of 5,000 of these switches.

A royalty of 25 cents upon each telephone embodying any of the inventions or improvements covered by the patent No. 218582, granted to Sidney H. Short, August 12, 1879, under contract between the Gold and Stock Telegraph Company and said Short, dated August 22, 1879.

A royalty of 25 cents on each automatic switch which shall be made or used by the party of the second part under H. L. Roosevelt's patent, No. 215837, of May 27, 1879, by virtue of the license contained in Mr. Roosevelt's letter to Mr. George B. B. Prescott, dated June 21, 1879.

The party of the second part does not hereby admit the validity, effect, or value of any of said patents.

SCHEDULE B.—Places where the Western Union Telegraph Company or the Gold and Stock Telegraph Company have established exchanges or leased telephones and

the owners of the Bell patents have granted no exclusive rights to other parties, or where the Western Union Telegraph Company or Gold and Stock Telegraph Company have bought the Bell licenses, or interests therein.

No hostile interests are here to be reconciled, and the transfers may take place at once.

1. Places where exchanges were established and are owned by the Western Union Telegraph Company, and on which the telephones of the American Speaking Telephone Company are used: Atchison, Kans.; Akron, N. Y.; Auburn, N. Y.; Boston, Mass.; Chester, Pa.; Concord, N. H.; Danville, Ill.; Decatur, Ill.; Davenport, Iowa; Defiance, Ohio; Evansville, Ind.; Galveston, Tex.; New London, Conn.; Houston, Tex.; Kansas City, Independence, Mo.; Lafayette, Ind.; Leavenworth, Kans.; Little Rock, Ark.; Moline, Ill.; Meriden, Conn.; Pekin, Ill.; Pittsfield, Mass.; Portland, Me.; Providence, R. I.; Pawtucket, R. I.; Rock Island, Ill.; Richmond, Ind.; Rutland, Vt.; South Norwalk, Conn.; Springfield, Ill.; Stamford, Conn.; St. Louis, Mo.; Topeka, Kans.; Washington, D. C.

Places where the Western Union Telegraph Company has acquired a part or the whole of the interest of the Bell licenses: Bridgeport, Conn., the whole; Columbus, Ohio, the whole; St. Louis, Mo., majority interest; Providence, R. I., Pawtucket, R. I., majority interest.

The Gold and Stock Telegraph Company own the telephone exchange in Boston. The stock owned by the Gold and Stock Telegraph Company in the American District Telegraph Company of Boston is to be transferred with the Boston Exchange.

SCHEDULE C.—Places where the Western Union Telegraph Company or the Gold and Stock Telegraph Company have established and own exchanges, or have leased telephones, and where the owners of the Bell patents have granted rights to other parties under which those other parties might object to the use of the telephones put out by the Western Union Telegraph Company or the Gold and Stock Telegraph Company. In these cases the Western Union Telegraph Company or the Gold and Stock Telegraph Company could transfer at once, but the interests or obligations of the National Bell Telephone Company require that it shall have an opportunity to arrange with those licensees: Bloomington, Ill.; Dayton, Ohio; Fort Wayne, Ind; Syracuse, N. Y.; Fayetteville, N.Y.; Fall River, Mass.; Hartford Conn.; Indianapolis, Ind.; Keokuk, Iowa; Lockport, N. Y.; Manchester, N. H.; New Haven, Conn.; Niagara Falls, N. Y.; Norwich, Conn.; Peoria, Ill.; Rochester, N. Y.; St. Joseph, Mo.; Tonawanda, N. Y.; Trenton, N. J.; Cincinnati, Ohio.

SCHEDULE D.—Places where exchanges have been established and have used telephones furnished by the Gold and Stock Telegraph Company. (1) Exchanges in which the Western Union Telegraph Company owns a stock interest: Albany and Troy territory, N. Y.; Newburg, N. Y.; Worcester, Mass.; Springfield and Holyoke, Mass.; Cleveland, Ohio; Erie, Pa. (American District Company); Louisville, Ky. (contract made but no instruments furnished); Denver, Colo.; Central City, Colo.; Black Hawk, Colo.; Golden, Colo.; Georgetown, Colo.; Leadville, Colo.

(2) Exchanges established and using telephones furnished by the Gold and Stock Telegraph Company, but in which neither the Western Union Telegraph Company nor the Gold and Stock Telegraph Company have any interest: Buffalo and Williamsville, N. Y.; Chicago, Ill.; Dubuque, Iowa; Des Moines, Iowa; Milwaukee, Wis.; Toledo, Ohio; Lawrence, Mass.; Quincy, Ill.; Utica and suburbs, N. Y.; Poughkeepsie, N. Y.; Camden, N. J.; Wilmington, Del. *Memo.:* The owners of the Bell patents have granted licenses, or made agency contracts, for the Albany and Troy district, Worcester, Springfield, and Holyoke, Cleveland, the six towns in Colorado, Buffalo and Williamsville, Detroit, Milwaukee.

SCHEDULE E (not printed here) comprises a list of Phelps, Edison, Bergmann, Gray, and other styles of receivers and transmitters, etc., several thousand pieces of apparatus being thus transferred at various prices approximating cost of manufacture.

The agreement as above accepted, signed, and sealed bears date of September 27, 1879, was approved by the National Bell stockholders on October 24, 1879, and the directors on November 12. It was approved by the executive committee of the Western Union Telegraph Company on November 12, 1879; the directors of the Gold and Stock Telegraph Company on November 10, 1879; the directors of the American Speaking Telephone Company on October 30, 1879, and the directors of the Harmonic Telegraph Company on October 28, 1879.

The telephone company, in its reply to our inquiries, has submitted copies of these things and contracts of the National Bell Telephone Company and the American Bell Telephone Company and other corporations, based to some extent on the provisions of this contract.

The CHAIRMAN. Do not they submit the contract also?

Mr. PITNEY. No, sir. Mr. Bryan said he had no personal knowledge of it, and expressed a willingness at the last hearing that this copy be taken as a correct copy.

The CHAIRMAN. Very well. I do not see what objection there can be to letting it go into the record.

Mr. WILSON. Some time ago Mr. Bryan wrote a letter requesting the committee to call an expert for the purpose of the expert examining the plant, etc., as indicated in the letter, and I have just inquired whether he has had any response, and he has told me that he has not had any response.

Mr. PITNEY. Which letter is that? What letter do you refer to?

Mr. WILSON. I can not give you the date of the letter now.

The CHAIRMAN. There has been no formal consideration of that proposition by the committee; but just now, on consultation with some of the members—and I have no doubt that Mr. Dockery will concur—the committee will say that, inasmuch as the company had an expert, or experts—I believe there were two of them—examining the books of the company, we thought it would be wise to wait until we have examined their experts before we should ourselves take any action in the way of appointing any experts.

Mr. WILSON. The examination made by the experts, whose report you have, was not on the lines of the examination indicated by the letter to which I have referred. If you have the letter there you will see just what I want.

The CHAIRMAN. Well, we can tell better about that—or I could, at least, not having examined this report of the expert—after having had an opportunity of looking at it. I will listen to Mr. Pitney's examination. So I think for the present we had better defer that question.

Mr. WILSON. I was simply calling your attention to it, and I would say that the examination of these experts necessarily could not involve the matters in that letter.

(After an examination of a letter.) This is not the letter.

The CHAIRMAN. Have you a copy of the letter?

Mr. WILSON. We have a copy at the office.

Mr. PITNEY (after examination of letter). I think the chairman is correct in saying that he has not submitted the request of the company.

The CHAIRMAN. It was mentioned here at one of the meetings, was it not?

Mr. WILSON. I do not know; I think not.

Mr. DOCKERY. What was it?

Mr. WILSON. A proposition to have you get some suitable expert—one that would be satisfactory to the committee—to make an examination——

Mr. DOCKERY. Of what?

Mr. WILSON. An examination of the plant, of its operations, for the purpose of enabling the committee to know exactly what kind of service is being rendered—whether what has been done and is being done is a proper thing to do.

The CHAIRMAN. We are not prepared now, Judge Wilson, to pass upon this question. If you will bring a copy of the letter you wrote, we not being able to put our hands on it now, to-morrow morning, we will then consider it.

Mr. WILSON. I said the only purpose in calling your attention to this matter was so that it would not be overlooked.

Mr. PITNEY. I want to say to Judge Wilson and to Mr. Bryan in the presence of the committee that I have received from Mr. Bryan his letter of April 22, in which he submitted a copy of the letter received by him from the public accountant. Mr. Bryan requested that that letter be embodied in the hearings. I have not had an opportunity yet to submit that letter to the committee, and when I do it will be with a

suggestion that suggestions or writing from an outside party of this character submitted to the committee ought to be submitted under oath.

Mr. WILSON. Mr. Tompkins will be here day after to-morrow morning.

Mr. PITNEY. This is John A. Tompkins's letter to Mr. Bryan of April 18; and the committee will probably prefer—at least I would so suggest—that Mr. Tompkins may be presented by you as a witness, if you desire.

Mr. WILSON. Certainly; we intend to do that. Mr. Tompkins is unfortunately unable to be here this morning, but will be here the day after to-morrow morning.

The CHAIRMAN. My attention is called to the language of this letter, and the clerk seems to think this must be the letter you are referring to. Allow me to read it:

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
Washington, D. C., March 3, 1898.

Hon. WILLIAM W. GROUT,

Chairman select committee appointed by the Speaker the 24th instant, under resolution of House of Representatives adopted February 14, 1898.

SIR: This company begs leave respectfully to say that it invites the fullest investigation by your committee into all matters embraced in the resolution of the House under which you are acting. All its books and papers relating thereto shall be open to the inspection of your committee personally, or by any other agencies of competent and impartial experts such as you may select, or both. The company earnestly desires that the whole truth may be known to your committee, in the hope that it and Congress may thus be informed whether or not the rates and regulations of the company have been and are just and reasonable.

In respect of this inquiry the company does not stand upon any private rights secured by the Constitution. It waives any such rights in order that your committee may know all that concerns just public interests. It is therefore ready to aid the committee, at any time it may be called upon, in the respects above mentioned.

It is hardly needful to suggest that, while Congress, the sovereign legislative authority in the District of Columbia, has the power to compel, by proper means, the exaction of just and reasonable rates in respect of all service to the public in the District, the question of what are just and reasonable rates is a judicial one, and that any legislation which will deprive any citizen or corporate body of citizens of a just equivalent for the use of his or their property is, to that extent confiscation, and beyond legislative power. This suggestion is not made in the fear that the committee—just and impartial—will recommend any such measure, but in view of recalling to the attention of the inhabitants of the District the fact that every service is justly and lawfully entitled to have its fair compensation.

Very respectfully, yours,

SAML. M. BRYAN, *President.*

The CHAIRMAN. Do you recognize in the language of the letter——

Mr. WILSON. No, sir; that is not the letter. What is the date of that letter?

The CHAIRMAN. March 3.

Mr. WILSON. That is not the letter; we will furnish it.

Mr. PITNEY. In the letter of March 12, on page 211 of the hearings, he said he desired, in behalf of his company, to submit evidence in relation to the matter involved in the investigation, and perhaps it would be appropriate for us to give him an opportunity to do that now.

Mr. WILSON. I would say in regard to that, Mr. Chairman, and gentlemen of the committee, that we have Mr. Haskins here for the purpose of examining him, so that report that has just been alluded to will not stand here as an unsworn statement. Mr. Tompkins, as I said a moment ago, will be here day after to-morrow morning, if it will suit your convenience, and I desire to introduce evidence, the testimony of divers witnesses, in respect to the purchases that have been made by the company, the manner in which it makes its purchases and all that,

so you will have information on that subject. Those witnesses are not here this morning for the reason that one of them was out of the city. Mr. Haskins is here, and I assumed that you would take up the session to-day in the examination of Mr. Haskins.

Mr. PITNEY. I presume the committee will be willing to do that. I do not want the company, however, precluded from offering any evidence. This letter from Mr. Bryan was the letter transmitting the expert's report, and in the letter he stated he desired to submit other evidence.

Mr. WILSON. I never had any thought to the contrary, and we are ready to do it. We are ready to go on with Mr. Haskins this morning, and we will have these other witnesses to-morrow morning and Mr. Tompkins the next morning.

Mr. PITNEY. You may call Mr. Haskins now if you wish.

TESTIMONY OF CHARLES W. HASKINS.

Mr. CHARLES W. HASKINS, being sworn as a witness on behalf of the telephone company, testified as follows:

By Mr. WILSON:

Q. State your name, residence, and occupation.—A. Charles W. Haskins; residence, city of New York; certified public accountant by profession; senior member of the firm of Haskins & Sells.

Q. Will you please explain what you mean by certified public accountant?—A. A public accountant of the State of New York practices under a certificate issued by the board of regents of the University of the State of New York. They issue a certificate after an examination, which entitles a man to be called certified public accountant and use the initials C. P. A. I operate under a certificate issued by the regents, and I am one of the examiners appointed by the regents to examine other accountants.

Q. Please state how long you have occupied that position.—A. The law of the State of New York has only been in force about two years and a half, but I have been a practicing public accountant since January 1, 1886.

Q. Will you state to the committee what experience you have had as an accountant?—A. I have been an accountant ever since I have been in business, but as auditor of railroads and secretary of a trust company. I was in private business up to January, 1886, when I entered the profession of public accountant. I investigated railroads, corporations in different parts of the country, and I have also been an expert appointed by a joint committee of Congress during the Fifty-third Congress to investigate the Departments of the Government, which work took me nearly two years. The committee on which I served was the committee of which Mr Dockery was chairman.

Q. Are you the Mr. Haskins who was selected by the Senate committee to make an examination of the books of the Chesapeake and Potomac Telephone Company?—A. Yes, sir; I was sent for by Senator Faulkner, and under an arrangement by telegraph I came on and began the investigation of the Chesapeake and Potomac Telephone Company in Washington, and at the end of the second day I received a telephone message on my way to the train, my assistant catching up to me, telling me the investigation was called off—that the Senate had discontinued it. I proceeded to New York. The next day I received a telephone message from the president of the telephone company asking me if I

would continue and complete my investigation which I had begun for the Senate.

Q. State whether you have made such an examination.—A. Yes, sir. The next morning I answered him that I would complete the investigation, and I returned to Washington, continued the investigation which I had begun for the Senate——

Q. Will you state whether or not you continued it on the lines indicated——

Mr. PITNEY. Let him state what lines he continued it on. I understand you continued this investigation in behalf of the telephone company?

Mr. WILSON. I will bring that out in a minute. I was going to ask him at whose instance he continued this investigation.

Q. You may state that now, if you will.—A. I continued the investigation, as stated, at the request and at the instance of the president of the Chesapeake and Potomac Telephone Company, and I continued it on the same lines——

Mr. PITNEY. It does not make any difference what instructions there were from the Senate committee, for the question is on what lines. What did you do?

A. I made an investigation of the earnings and expenditures of the telephone company, in detail, for two years. I investigated and examined every charge, every expenditure, going back to the original sources; and the same in regard to the earnings. I investigated and examined the amount expended for construction from the inception of the company, August 1, 1883, down to date.

Q. Which three years did you cover in your investigation of expenditures and receipts?—A. Two years; 1896 and 1897.

The CHAIRMAN. Calendar years?

A. Calendar years; yes, sir.

Mr. PITNEY. The fiscal year of the company now corresponds with the calendar year. and has for some years past, has it not?

A. Yes, sir.

By Mr. WILSON:

Q. You had better go on and state what further investigation you made as to other years. You did not go back to the source of original entries as to some of these other years, did you?—A. For the years 1894 and 1895 we examined the books to see that they agreed with the statements rendered for those years, and distributed their accounts to agree with the distribution which we had made for the years 1896 and 1897, we differing somewhat—I differed somewhat—from the distribution made on the company's books; but I did not examine, in detail, expenditures, or each item of income.

Q. For those years?—A. For those two years—1894 and 1895, which the report we rendered covered.

Q. I wish you would state to the committee how thoroughly you made that examination. I mean, take the examination for the years 1896 and 1897.—A. Well, I examined it to know that the statements we had rendered for 1896 and 1897 were correct, and in examining the material account we were obliged to confer with the officer who had charge of the material. A large part of the expenditure comes through material reports. The vouchers covering purchases we examined in detail, but the majority of those charged to material are supplies, and the distribution of those comes through the material reports, and it took a large amount of time to examine those and to see that they were proper, by comparison and by conferring with the officer in charge.

Q. After having made the examination to which you have referred you made a report accompanied by divers exhibits that have been sent here to the committee?—A. Yes, sir.

Q. I wish you to state now whether those exhibits are accurate, and whether the statements you have made in those reports are true and correct.—A. The statements and report as rendered, and the exhibits accompanying the same, are correct and accurate according to the books of the company.

Q. State whether or not the charges on the books as to construction are properly charged to the construction account.—A. I consider that the items charged to construction are properly chargeable there.

Q. And the items charged to maintenance—whether they are properly charged to the maintenance account?—A. Yes, sir; they are.

Q. And the items charged to operating expenses or the operation—whether they are properly so charged?—A. Yes, sir; they are.

Q. Do you find anything in the books that is charged on these respective accounts—do you find anything that was not actually expended therefor, so far as you can see—for construction, maintenance, and operation?—A. No, sir; the items in the account represent actual expenditures.

Q. Do you find any entries or anything indicating that there has been any concealment in these books?—A. No, sir. I would like to qualify my answer to the question before the last. The reports that we rendered as to the expenditures represent actual expenditures. We have eliminated the item that has been charged to account for depreciation. I had no way of arriving at what the proper charge was, and eliminated that from the cost.

Q. So that your report represents nothing on account of the depreciation of this property?—A. No, sir.

Q. Now, if in your investigation you found anything in the method of keeping books that is unusual or improper, or anything of that kind, please state it to the committee.—A. No, sir; the books are correctly kept, and there is nothing in the accounts that is at all unusual. The statement of account is correct.

Q. In that connection I will ask you whether you had any assistance in making this investigation?—A. Yes, sir; one assistant from my office.

Q. What is his name?—A. Mr. C. S. Ludlam.

Q. Is he likewise a public accountant?—A. Yes, sir. He is also a certified public accountant.

Q. Do you find anything in these books indicating that excessive wages have been paid, or that there has been any excessive number of employees, or an excessive amount of purchases of material?

Mr. PITNEY. Is this witness expert in this matter?

Mr. WILSON. I will withdraw the question if the committee does not desire to hear it. [After a pause.] The question is withdrawn.

Q. Mr. Haskins, with your experience of corporations, and in this line of business, can you give the committee any statement as to what should be the ratio of the net to the gross earnings in order to enable a corporation to successfully conduct business?

(After argument, the question was withdrawn.)

Q. Have you had any experience in the matter of ascertaining the ratio between the net and gross earnings of corporations; and, if so, state what that experience has been, and state where the best information on that subject can be found.—A. I have had an experience in that—very extensive experience—in determining that ratio with railroads, and as an expert as controller of the Central Railroad of

Georgia, and also in regard to steamship business as controller of an ocean steamship company. One of the most important deductions that you draw from the accounts is the ratio of expenses to gross earnings. That has to be most carefully watched. In our investigations that is one of the points we try to arrive at most accurately.

Mr. PITNEY. Have you had any such experience with regard to telephones?

A. No, sir; I never examined a telephone company before.

By Mr. WILSON:

Q. Now, tell us where the best information in that line is to be had—the most accurate information?—A. The most accurate information can be obtained from the reports of the Interstate Commerce Commission, which, of course, only give the ratio of expenses to gross earnings for the railroads of the United States, and that is the only official source that I know of where these percentages could be arrived at accurately, except from individual experience.

Mr. PITNEY. Has the Interstate Commerce Commission any publication covering its researches in that line?

The WITNESS. Oh, yes, sir.

Mr. WILSON. Unfortunately, Mr. Chairman and gentlemen, while I have that, in putting my papers together this morning I accidentally left it out.

Mr. PITNEY. I would like to get at the value of this line of evidence before spending much time on it. I can understand that it may be a matter of experience that railroads are capitalized at about so much per mile in certain territory, and so much per mile in other territory, and in order to get at the return for capital, adequate compensation for doing business, it may be necessary under certain circumstances to take a certain proportion between gross receipts and gross expenditures, and in another case another proportion; but how that throws any light on the proportion between gross receipts and gross expenditures in the telephone business I can not conceive, because it depends on what the amount invested is, and so on.

The CHAIRMAN. The expenditures, of course, include the fixed charges?

The WITNESS. No, sir; not at all. It does not represent capital.

After argument, Mr. Wilson said:

The question I asked the witness was what should be the ratio of the net to the gross earnings?

Mr. BINGHAM. To do what?

Mr. WILSON. To successfully conduct the business of this corporation.

The CHAIRMAN. Of this corporation?

Mr. WILSON. Yes.

Mr. BINGHAM. With that dividend?

Mr. WILSON. Sir?

Mr. BINGHAM. You say to successfully carry on the business of the corporation. With what dividend? Five, 6, 7, or 8 per cent?

Mr. WILSON. As a matter of course, that depends on circumstances.

Mr. PITNEY. What might be success? Three per cent dividend is success, we might say, if there has only been 10 per cent paid on the capital stock, and a 6 per cent dividend might not be success if the capital stock has been paid up in full.

Mr. WILSON. Of course I assume that you gentlemen are going to take all those things into consideration. I am trying to give you the best information I can to enable you to throw some light on this subject, and guide you as far as possible——

The CHAIRMAN. Will you state the question once more. I think we are ready to make a ruling.

Mr. WILSON. The substance of the question is—I can not repeat it verbatim—what should be the ratio of the net to the gross earnings of a corporation to successfully conduct its business?

The CHAIRMAN. I understood you before to say, what should be the ratio in *this* corporation?

Mr. WILSON. Well, I will put the question in that way.

The CHAIRMAN. The committee thinks the witness had better answer.

Mr. PITNEY. The weight given to the answer will be a matter of judgment.

Mr. WILSON. I am not responsible for what weight you give it. That is another matter.

The WITNESS. I do not feel qualified to answer that question, except that the report we have rendered shows what the ratio of expenses has been to the gross earnings, and the result showed there what the earnings of the company are based upon—what percentage. That is a matter of record. The profits do not look unusually large; I can say that.

By Mr. PITNEY:

Q. Will you please give us the name and date of the publication or publications of the Interstate Commerce Commission to which you have referred?—A. The annual report of the Commission.

Q. For what year?—A. The last year would be the best. That gives the average percentage of operating expenses to the gross earnings for the different railroads of the country, first by groups and then all the railroads.

Mr. BINGHAM. And dividends declared?

The WITNESS. Yes, sir. That has no bearing whatever upon the earnings—the percentage——

Mr. BINGHAM. No; I know that; but also there is an exhibit of dividends declared?

The WITNESS. Yes, sir; that gives the full different accounts of the different railroads of the country.

By Mr. PITNEY:

Q. Of course the question of what dividends could be declared would have sole bearing upon the question of what is the proper ratio between receipts and expenditures, would it not?—A. They endeavor to keep down the operating expenses, of course, as low as possible, and they watch that percentage, but they do not watch it in any connection with the outstanding capital of the railroad. It has no connection with that, and the percentage varies very materially upon the conditions of the different railroads. Some have very dense traffic, like coal traffic, and of course their operating expenses are very much lower, but I think the average is about 62 to 68 per cent, varying with different years on the railroads of the United States. I know one road operates at 47.7 per cent of its gross earnings. That means net.

Q. That is not applicable to bonded obligations, is it?—A. That has no reference whatever to the bonded obligations.

Q. Does not touch that?—A. No, sir; that is applied to the interest. That difference between the percentage of the expenses and the gross earnings is applied to betterments, fixed charges, and dividends.

Q. Do you mean to say that the ratio between the receipts and operating expenses is made up without reference to the fixed charges or to the dividends that are or ought to be paid on the capital stock?—A. Yes, sir.

Q. But in the determination whether 47 per cent or 27 per cent or 17 per cent is a proper ratio between receipts and operating expenses you have to take into consideration the capitalization, the fixed charges, and all those things, do you not?—A. I should hardly think you would.

Q. I mean to say if you were trying to find out whether one is profitable and another is unprofitable, you have to take into consideration the cost of your plant, would you not?—A. No, sir.

Q. Your detailed statement of earnings and expenses of the Chesapeake and Potomac Telephone Company is found on pages 206 and 207 of our printed hearings—I wish you would refer to the printed copy—and the same statement is found in Exhibit A, pages 213 and 214. Now, I understand you to say that your examination of earnings and expenses, from which these statements were made up, with respect to the years 1896 and 1897, were made from actual investigation of the vouchers?—A. Yes, sir.

Q. And for the years 1894 and 1895 you did not go to the labor of actually investigating the vouchers, but you went to the books and then redistributed the charges upon the books according to the statement you had adopted as the result of your investigation of the years 1896 and 1897?—A. That is correct.

Q. In what manner did you change the distribution of their entries for 1894 and 1895 as compared with what you found the distribution to be upon their books?—A. Well, in very small particulars. For instance, we charged to income account bad debts, charged off. They had them charged to expense accounts.

Q. In making up this statement you do not account for any bad debts for the years 1894 and 1895—Exhibit B, page 214 of the printed hearings?—A. We did change the distribution for 1896 and 1897, as stated there, for bad accounts charged off, but there were none in 1894 and 1895. But we changed the distribution of the earnings, stating in full on one side the receipts from private line rentals and receipts from toll service and extra-territorial, which they have taken into their account, the net amount. We show the distribution of expenses on the other side. We show the pay stations from the total amount received from subscriptions—no very material changes.

Q. We only wanted to understand what they were, and your answer appears to relate only to the years 1896 and 1897. Is this correct? The years 1894 and 1895 you did not make any distribution, except as to charging off bad accounts, and in respect to those two years you did make a redistribution for private line rentals, a different distribution of expenditures for this same account for the years 1894 and 1895?—A. Yes, sir.

Q. Do these substantially conform to what you found on the books?—A. Yes, sir.

Q. With regard to the years 1896 and 1897. Do they substantially conform to what you found on the books?—A. Yes, sir; the net result is the same. All those years agree with the books.

Q. Does the company have a separate account to represent construction?—A. Yes, sir.

Q. Is that charged to the expense account?—A. No, sir; it is charged to construction.

Q. Did you find in the books or papers of the company annual statements made up each year, or other statements made up at intervals, regularly or irregularly, showing the assets and liabilities of the company at different periods?—A. We saw the balance sheets of the company; yes, sir.

Q. How often were those balance sheets made up?—A. I think they take a balance sheet off every month. We did not refer to that at all. We took the books.

Q. How did you make your distribution between expenses of maintenance and expenses of construction?—A. We examined into the items that were charged to construction to see what they were, and formed a conclusion that those items were properly chargeable to construction. For the items that were charged to maintenance we were obliged to investigate from the superintendent the work that has been done in the last two years.

Q. You were obliged to rely upon the information that you received from the employees of the Chesapeake and Potomac Telephone Company?—A. And I examined a book which they have, a daily record of the work which has been done by what they call the outside men. They keep a record in which they write down what these men, this force of men, have been doing every day, and I examined that book for a period of two years.

Q. But if the company has adopted a certain system of distributing the expenses between the maintenance account and the construction account, there was nothing in your investigation which enables you to make any check upon that investigation, was there?—A. The check, I tell you—that I examined the daily record of the work that the men were employed upon. The maintenance is principally outside work.

Q. It goes into the ground?—A. Yes, sir; for poles and wires, and the outside superintendent keeps a daily record.

Q. What does that daily record show?—A. It shows the different gangs—the men—and what they are employed upon.

Q. To what extent does it particularize what they are employed upon?—A. It shows the work they are doing—stringing wires here or there or working on a conduit here or there.

Q. Whether those wires they were stringing here or there, or the conduits they were laying here or there, they were constructing with new wires or conduits, or whether they were engaged in the repair of old ones, the daily reports would not show?—A. No, sir; except by inquiry. Where there was any question of doubt—where I was not certain—I inquired what work the men were employed upon.

Q. What means did you have of ascertaining whether the work they were employed upon was actually new construction or actually maintenance—old construction?—A. Except this daily record.

Q. You had to rely, then, upon the reports made in pursuance of a system adopted by the company?—A. Yes, sir; which is a report in detail.

Q. Would the report in detail show such a thing as this, for instance: The taking up of a two-way conduit in the street and the laying down in the place of the two-way conduit a twelve-way conduit?—A. It would show work on this new conduit.

Q. Would it show the nature of the change made?—A. No, sir.

Q. If that was charged up to maintenance there was no way you could check it up as to whether it was properly chargeable to maintenance or construction, was there?—A. I know it was charged to maintenance.

Q. Do you know it in any particular instance?—A. I know that they replaced a conduit in 1897 with a very material increase in their maintenance charges, and I know that that was charged to maintenance.

Q. What conduit was that, and how much did it amount to in its cost?—A. I do not know. The figures are not shown on the detail as

to the total expense, and I did not go to the trouble of figuring it up. It was all charged to maintenance.

Q. That would not be a proper charge to maintenance, would it?—A. I understood it cost in the neighborhood of $22,000, from inquiry from the superintendent, and it would seem to me a proper charge to maintenance, as it simply replaced an old conduit.

Q. I am supposing the case, and I understood your answer to state my supposition was correct—of the case of the taking up of a two-way conduit and the putting down in its place of a twelve-way conduit. Is that a proper charge to maintenance?—A. I should think so; yes, sir.

Q. And suppose the additional ten cables were put in; is that a proper charge to maintenance?—A. The additional cables I should think would be a proper charge to construction.

Q. In point of fact they did put the additional cables in—in the conduits that were built in 1897—did they not?—A. Not to my knowledge.

Q. But you think the laying of the new conduit that would have six times the capacity of the old conduit would be a proper charge to maintenance?—A. Yes, sir.

Q. At any rate, work of that character has been charged to a considerable amount in the year 1897, which you estimate at $22,000?—A. I understand that.

Q. You were told that?—A. Yes, sir.

Q. By whom?—A. By the superintendent.

Q. Was the same system apparently adopted with regard to other construction work of the company—when I say construction work in this question I mean work of building, it might be either maintenance or construction, according as it might be charged—the same system adopted with regard to other work?—A. What system; I did not quite understand?

Q. Well, the same system of charging new work which replaced any work?—A. That was charged to maintenance.

Q. Notwithstanding the new work might be of greater capacity, and might be to some extent a new construction?—A. Yes, sir; for instance, they would string heavy copper wire in place of iron wire. That would be charged to maintenance, although I have no doubt the copper wire would be better than the iron wire.

Q. That is in the line of charging everything to the expense account so as to prevent the stockholders and officers from misleading themselves as to their earnings. That is the reason they do that?—A. Yes, sir.

Q. But in the meanwhile, constantly pursuing a system of that sort, they might multiply the value of their plant threefold and not increase their capital stock?—A. That is true, and is done in case of some railroads.

Mr. DOCKERY. And is it not true that because of that possibility you decline to charge off anything for depreciation?

A. That is one reason I have no means of finding out what a proper amount is for depreciation—what to charge off for depreciation.

By Mr. PITNEY:

Q. If you have a construction account to which some of the increase of the plant is charged, it is proper to charge depreciation of the plant to the construction account, is it not?—A. No, sir; the depreciation should be charged against the surplus earnings.

Q. I know it ought to be charged against the surplus earnings, that

is to say, the company ought not to be misled—— A. The earnings should provide for the depreciation.

Q. They should save enough money out of their earnings to guard themselves against any depreciation. That is not the question at all. The question is whether there ought to be charged against the earnings of a certain year or of any year so as to show the expenses of the business, or whether it ought to show the expenses of the business by being charged to the construction account so as to show the depreciation of that plant which they are carrying as an asset on their books under the head of construction.—A. Do I understand that you ask whether the depreciation should be charged to construction account?

Q. Yes.—A. I should think not. I do not see how it is possible to do that.

Q. If they are including in their maintenance account considerable sums that are paid for a permanent betterment of the plant and are charging also to expenses the supposed depreciation in their old plant, their expense account is showing larger than their actual expenses are, isn't it?—A. Yes, sir; if that were so.

Q. Depreciation is not a regular annual charge of this company, is it?—A. No, sir; they have been irregular in that item. And I will repeat there, in order that this may be clear, that in this statement of earnings and expenses the depreciation does not appear as an expense.

Q. But you have charged depreciation to construction account in your statement of the construction account.—A. No, sir; we have only included actual expenses in construction account.

Q. Pardon me one moment. Let me refer you to Exhibit F, pages 217 to 219, inclusive—no; that is not the statement.

Mr. HEMPHILL. Page 215 you will find it, under the head of Exhibit C, depreciation charged off, $24,597.33.

Mr. PITNEY. I find it in another place also; but it is in surplus account, if I can find that. Exhibit I, page 220, purports to show the surplus for the years 1894 to 1897. You have charged off the depreciation for 1894, 1895, and 1896 against the surplus, have you not?

A. Yes, sir; that is the statement of surplus account.

Q. And that is a proper way to charge it?—A. Yes, sir.

Q. And that is a different thing from charging it to expense?—A. Yes, sir.

Q. In other words, you charge it there as reducing one of the standing assets, to wit, the surplus?—A. Yes, sir.

Q. Let me ask you if the books show, or anything presented to you shows, why these particular sums are put down to depreciation—namely, for the year 1894, $24,597.33; for the year 1895, $20,251.20; for the year 1896, $9,012.75?—A. I don't know, and I could get no intelligent explanation.

Q. You inquired, did you?—A. Yes, sir.

Q. Now, you have charged those sums for depreciation in the profit and loss account that you have made up as contained in Exhibit C, page 215?—A. Yes, sir.

Q Beginning on page 213, from Exhibit A?—A. You understand, on the books of the company that was charged in the expense account, and I have eliminated that.

Q. You have eliminated it for the purpose of making up the expense account?—A. Yes, sir.

Q. But you have not eliminated it for the purpose of showing the net results of the operations of the company for those years?—A. No, sir; because that brings our statements out to agree with the books.

Q. In Exhibit A, pages 213 and 214, you purport to give the net earnings for the four years, 1894, 1895, 1896, 1897?—A. Yes, sir.

Q. You reduce, then, in Exhibit B, all charges to the income account. In other words, you credit the income account with the net earnings as per Exhibit A, and you charge those net earnings with disbursements to income account?—A. Yes, sir.

Q. Have not you made a mistake in charging the sinking fund of the bonds to the income account?—A. No, sir; that is a fixed charge, just as much as the interest on the bonds would be provided for.

Q. It has to be provided for, but the question is whether it has to be provided for out of current expenses; whether it is not a capitalization of expense; a capitalization of expenses when you pay off $8,000 of the principal of the bonds.—A. I have always considered that, in the payment of sinking fund, as a fixed charge as much as interest. It is an interest and has to be provided for out of the earnings. It can not be provided for otherwise unless you borrow money.

Q. But if you have $400,000 of bonds, your assets and liability account at the beginning of the bonded debt—the balance of assets and liabilities—would be reduced by the $400,000 at the beginning of your period. Now, if you charge off $8,000 a year and charge it to expenses, when your bonds are all paid off your surplus over liabilities will be $400,000 more than it was at the beginning?—A. Yes, sir.

Q. In other words, it is a capitalization of income, is it not?—A. I hardly know whether you could call it a capitalization of income. Possibly that is the correct answer?

Q. Is it not a correct answer?

Mr. BINGHAM. It wipes out income by capitalization?

A. That is correct. It is a capitalization of income.

By Mr. PITNEY:

Q. Of course a purchase of bonds outside of the sinking fund requirement is a capitalization of income.—A. Yes, sir; that would show as an asset. It might or it might not. They might not show the total issue as a liability and those they purchased as an asset. They might simply show the net amount outstanding as a liability.

Q. They could do so?—A. Yes, sir.

Q. And I understand from something in your statement here that that is what has been done in this case. They have bought bonds outside the sinking fund requirement, have they not?—A. Yes, sir. You understand we have included only the actual amount of bonds that have been purchased according to the sinking-fund clause and what they may have bought.

Q. Does the sinking-fund clause require them to buy $8,000 a year whether the total issue is outstanding or not?—A. Yes, sir.

Q. Do you know whether that has been done?—A. That is the proportion that belongs to the District of Columbia.

Q. I suppose you meant that?—A. Yes.

Q. Do you know whether, in fact, they have bought the $8,000 for the sinking-fund account, irrespective of whether the total issue was out?—A. No; the money has been turned over to the trustee, and the bonds have not been purchased.

Q. They have turned over to the trustee the $8,000 per annum?—A. Yes, sir.

Q. And if the company has bought any bonds it is a separate transaction?—A. Yes, sir.

Q. And the trustee may buy those bonds or he may invest the sinking fund otherwise?—A. Yes, sir.

Mr. HEMPHILL. When was that trust made?
The WITNESS. The date of the mortgage?
Mr. HEMPHILL. Yes.
The WITNESS. I have not that date.
Mr. HEMPHILL. Well, we will get that later.

By Mr. PITNEY:

Q. Look at Exhibit F, beginning on page 217. That shows the amount expended by the Chesapeake and Potomac Telephone Company in actual construction from the date of the purchase of the plant—August 1, 1883, to December 31, 1897—to have been $477,580.94. That is reduced by the amount charged for depreciation, is it?—A. No, sir.

Q. And if it were it would show the apparent value of construction—some $50,000 or $60,000 less?—A. That represents actual expenditures paid for construction.

Q. Yes; I understand that; but whether that is the value of construction at the present time you do not pretend to say?—A. No, sir.

Q. That includes the value of the cost of construction by previous owners, does it?—A. No, sir; that is the amount expended from August 1, 1883.

Q. Now, turn to the account of expenses on page 213. Under the head of maintenance, I call your attention to the fact that the total maintenance expenses charged for the year 1894 is fifty-one thousand and odd dollars; for the year 1895, $35,800; for the year 1896 it is about $52,000, and for the year 1897 it is $106,000. Did it not strike you as very remarkable that the expenses of maintenance, if properly only for maintenance, should vary as much as that?—A. It seems an unusually large charge as compared with the other years.

Q. But the other years seem an unusually large charge for the maintenance of a plant, say, that is worth a half million dollars—to pay $50,000 a year for maintaining it merely?—A. I should think not. I am testifying now on hearsay; but I understand they have six gangs constantly at work.

Q. The question is not whether the work is done, but whether it is work that is properly charged to construction or to maintenance.—A. I have already testified that I think all the items charged to maintenance are properly charged there. I investigated to the best of my ability, although I did not go into each piece of work.

Q. But you have already told us about charges to maintenance for the year 1897, and you have expressed a doubt as to whether it is properly charged to construction or maintenance.—A. It may be a matter of judgment, but I think the putting down of a new conduit is properly charged to maintenance. They were obliged to replace it.

Q. Yes; they were obliged to replace it; but they were not obliged in replacing it to lay with it an additional conduit that means a half dozen times its former capacity.

By Mr. DOCKERY:

Q. I understood the expert to state somewhere along the line of this inquiry that the additional conduits or wires, or whatever you call them, should be charged to construction?—A. I said the additional cables; yes, sir. I do not think there were any additional cables put there.

Q. In other words, a conduit with the same number of cables should be charged to maintenance, and if you replace an old conduit with a much larger number of cables, the additional number of cables should be charged to construction. Is that correct?—A. Yes, sir.

By Mr. BINGHAM:

Q. Where do you charge betterments—what item?—A. They are charged to maintenance. The only thing charged to construction is actual new work that gives a larger earning capacity.

Q. You do not consider betterments new work?—A. No, sir; I do not consider betterments an increase in the earning capacity of the company. I think that the division can be made as between maintenance and construction on that line to a great extent. Anything which increases the earnings of the company can be charged to construction, and anything that simply keeps up the plant and does not increase the earnings should be charged to maintenance.

Q. You do not consider extension as betterment?—A. Yes, sir.

Q. Are your betterments an average charge, or are they simply a charge for the year that the betterments have been made in?—A. The charge is for the year that the betterments have been made in.

Q. So betterments go to the charge of the year?—A. Yes, sir.

Q. And betterments mean extension?—A. No, sir.

Q. I asked you whether you considered extensions betterments, and you said yes.—A. No, sir; I did not mean that. Betterments should be charged to maintenance.

Q. When your betterments are an annual charge, as they are made that year?—A. Yes, sir.

Q. And they are not an average charge?—A. No, sir.

Q. In my investigation—if I can throw any light on this—I found that the extensions of the line into a house, for instance, is a maintenance charge, although it is a new piece of line. It connects the distributing pole with the residence; but if that subscriber is cut off, then, of course, that piece of work is of no further use, so in the first instance that is charged to maintenance?—A. That is general work. That is what you call general work.

Q. If I take an extension to my house to-day, and it is cut off a month hence, that is just general work?—A. Yes, sir.

By Mr. PITNEY:

Q. Mr. Haskins, you say that you like, as far as possible, to make a distinction between maintenance and construction upon the line of the increase in the earning capacity. Now, the question is whether that is possible in a statement of this company. You take, for instance, ten miles of conduit and change that from a two-way conduit to a twelve-way conduit. There is no increase in earning capacity, perhaps. Suppose that you put in at the beginning two cables, corresponding with the two old cables that were in the old conduit. Next, suppose that you put ten new cables in, filling up the other ways in the conduit. If you do not have a new subscriber, you do not increase the earning capacity. Suppose they remain there for a year. Under your distribution they would be charged to extension merely?—A. Yes, sir.

Q. Suppose in the next year you get a new subscriber for every one of those new cables. Then the earning capacity of the company is increased. Now, what is there to charge up to construction in that year?—A. When the charge was made they did not increase their earnings, and it would not be conservative for them to increase their capitalization by that amount.

Q. I suppose their policy is, and it would be a proper policy from their standpoint, for them to better their plant on all those occasions and provide for an increase of the business. But when we come to find out what is the actual cost of construction—not what is a proper cost of

maintenance, not what is a proper cost to represent to the stockholders, but the actual cost of construction—it seems to me that you ought to limit the expenses to those things which are expenses, making a separate entry of those things which are properly an increase of the value of the plant, providing for future business, irrespective of whether it provides for the business to-day or not. Don't you think that is proper? Don't you think it is proper to charge to construction the difference in cost, the difference in value, between the two-way conduit taken out and the twelve-way conduit put in?—A. That is done on some railroads. That principle is followed, and it generally results in bankruptcy. I am thoroughly convinced that it is bad policy. It wrecked the Baltimore and Ohio Railroad, and it will wreck any corporation that follows it if they insist on capitalizing every improvement they make. My experience has not extended to telephones as much as to other lines of business, but I think it is a wrong principle.

Q. If anything wrecks the company it will be spending money. It will not be the way they put it on their books.—A. Yes; it will.

Q. They spend money that will not be needed in the future and count it as an asset?—A. They have charged this as an item of construction in the earnings. They declare that as dividends the money goes out; and that is what the railroads do.

Q. They are trying to inflate earnings—the railroads are—in that case?—A. They are following the principle you suggest of only charging to expense account what are positive expenses, and they are eliminating anything that might be like a betterment.

Q. I will call your atttention in this connection to the official report of the Commissioners of the District of Columbia, an extract from which is found on page 48 of our hearings (reading):

Upon their application a permit was granted on June 2, 1897, to the Chesapeake and Potomac Telephone Company to repair their conduits on Fifteenth street from manhole between O and P streets to and into alley between R and S streets NW., square 207, and from east side of Fourteenth street, between G and New York avenue, west on New York avenue and Pennsylvania avenue to Seventeenth street, thence to G street, thence to cable pole near corner of Twenty-second and G streets, with branch lines in the alleys in squares 121, 160, 166, and 214.

The Commissioners go on to say that this repairing consisted in abandoning the old cables laid in asphalt along the above routes, taking out the portions uncovered and substituting multiple duct terra-cotta pipes, thereby changing that portion of their underground construction from a solid to a drawing-in system.

The work was supervised by an inspector from this office, whose services were paid for by the company. Work on the Fifteenth street branch was begun June 7, 1897, and finished on June 25, 1897, and on the other branch it was begun June 12, 1897, and completed June 30, 1897.

Were there any other pieces of work of that character done in the year 1897 besides those mentioned in the report of the Commissioners?—A. I could not answer that question.

Q. Did you look at the written report made by the directors to the stockholders annually?—A. No, sir.

Q. Were there such reports on file?—A. I think there were. I know there were such reports.

Q. Did you look at the minutes of the directors' and stockholders' meetings?—A. No, sir.

Q. And do you not know, then, whether any declaration has been made of their policy with regard to these matters?—A. I will modify my last answer. I did look at the minutes, but only cursorily. I saw from that cursory examination that when they made an extraordinary

expenditure for betterments, such as this laying down of the new conduit in 1897, that it was authorized by the board.

Q. Is there any doubt in the world, Mr. Haskins, that the charges for expenses and maintenance for the year 1897, amounting to $106,000 and over, as compared with $52,000 expenditures for the year 1896, show on their face that something beyond expenses for maintenance has been included in that $106,000?—A. I do not think that is a necessary conclusion.

The CHAIRMAN. What was there occurring in that second year that would justify that increased expenditure?

A. This extra conduit they put down, and I understood there were certain rules laid down by the Commissioners of the District of Columbia which prevented their doing a certain amount of work in 1896 that should have been done in that year.

By Mr. PITNEY:

Q. They did more work in 1896 than was done in 1895 according to your statements. They spent more under the head of maintenance for 1896 than for 1895?—A. There was more done in 1896, and possibly back in 1895 the Commissioners laid down certain rules.

Q. I want to call your attention to the fact that notwithstanding the nominal charges for maintenance for the year 1897 were $107,000, and that there was an apparent decrease of the earnings of the company for that year, yet the company increased the dividend up to 4 per cent, the highest dividend they had paid. That indicates, then, that they did not consider that that was really maintenance. You have only examined their system of bookkeeping entries critically for the last two years?—A. Yes, sir.

Q. Previous to that for lack of time you were obliged to accept the results on the books?—A. Yes, sir; except construction items, which I examined in detail.

By Mr. BINGHAM:

Q. You do not know whether, since the organization of the company, there has been any change in the system of bookkeeping?—A. Oh, there has been no change in their system of bookkeeping.

Q. I do not mean in their general system, but I mean charges for maintenance and construction and things of that kind.—A. I saw no indication of any. I did not examine for that point.

By Mr. PITNEY:

Q. On page 204 of the printed hearings, after giving the total construction expenses, so called, December 31, 1897, amounting to $477,580.94, the company proceeds to reply to question No. 2, "From what sources did the cash so expended come; that is to say, how much was contributed out of cash subscribed for stock, how much from proceeds of bonds issued, and how much out of the earnings made from operations?" You give the same reply apparently in your Exhibit G, page 219. So I suppose their reply was made as the result of your examination?—A. Yes, sir.

Q. From the original issue of $750,000 capital stock there was realized in cash, the cash assets, there was realized $77,234.93, and then you speak of two items—amounts contributed out of proceeds of sale of mortgage bonds—amounting to $185,200, and ascertain there was, that the balance of the construction expenses, namely, $215,146.01, came from the earnings of the company?—A. Yes, sir.

Q. Now, when was the money realized from the sale of those bonds—was it on the date mentioned in Exhibit G?—A. Yes, sir.

Q. June 9 and 10, 1894, and December 23, 1897?—A. Those are the dates.

Q. Let me call your attention, then, to this fact, that your items of construction account down to and including the fiscal and calendar year 1893 would amount to $378,751 and that the cash assets they had received on the consolidation amounted to $77,234.93; and if you add to that the amount you state was contributed from earnings in the entire period from 1883 down to December 31, 1897, namely, $215,146.01, you would get $192,000 with which to make the improvements which you foot up to $378,751.15 down to December 31, 1893, leaving a deficit of eighty-six thousand and odd dollars. How do you account for that, please?—A. I did not investigate their bills payable or their floating securities. They may have owed some money during that period. In making this statement I only took the actual increase of their capitalization, which is the bonded indebtedness and stock——

Q. So the only explanation you can make is that they may have carried a floating debt from some time previous to 1894 down to the time they issued the bonds?—A. Yes, sir.

Q. And paid the floating debt out of the proceeds of the bonds?—A. Yes, sir; I think that was the fact. Yes; they owed over $300,000 when they sold their bonds.

Q. Look at page 208 of the printed hearings—statement showing the figures contained in annual reports made to stockholders for each year from 1886 to 1897, inclusive. Did you check up that statement or compare it with the annual reports?—A. No, sir.

Q. That is contained in Mr. Bryan's reply. Let me ask Mr. Bryan that question—whether that statement at the foot of page 208 in our hearings was taken from the actual reports by you.

Mr. BRYAN. Yes, sir.

Mr. PITNEY. That shows the whole business of the company, I presume?

Mr. BRYAN. That shows all the figures that appeared in my report.

Mr. PITNEY. I mean this includes the business of the District of Columbia and also Baltimore?

Mr. BRYAN. Yes, sir.

Mr. PITNEY. Is that all the figures you submitted to the stockholders each year?

Mr. BRYAN. Usually the stockholders are told what the gross income is, what the expenses have been, what the net income is, and in some cases the dividends declared.

Mr. PITNEY. Don't they show a statement of assets and liabilities?

Mr. BRYAN. A balance sheet accompanies the report also.

Mr. PITNEY. You have those reports in full for each year, have you?

Mr. BRYAN. Yes; I think so. We have not been publishing our reports, but my report to the directors is made every year, and they are on file.

Mr. PITNEY. I wish you would bring us to-morrow those annual reports to the stockholders in full.

Mr. BRYAN. I could not bring them to-morrow because they would have to be copied.

Mr. BINGHAM. They are all printed, are they not?

Mr. BRYAN. No, sir; they are not printed.

Mr. PITNEY. Will you have a copy made as quickly as possible,

please, and also bring us the books of the minutes of the meetings of the stockholders and of the board of directors.

Mr. BRYAN. As to that I will have to take advice.

Mr. PITNEY. I think your advice will be that you are at liberty to bring that.

And also please furnish us copies of the balance sheets.

At 12 o'clock the committee took a recess until 1 o'clock p. m.

AFTER RECESS.

TUESDAY, *March 26, 1898.*

TESTIMONY OF MR. HASKINS—Resumed.

By Mr. PITNEY:

Q. Mr. Haskins, your statement of the surplus account resulting from the business of the Washington plant from 1891 to 1897, inclusive, is found on pages 207 and 208 of our hearings and also on page 220. The earnings and miscellaneous income stated in that Exhibit I for the seven years ending December 31, 1897, are taken from the books of the company, of course, are they?—A. Yes, sir; it is taken from the books.

Q. Are the earnings and income of the Washington plant separated from those outside of the District—do they keep separate accounts of the Washington business and the Maryland business?—A. No, sir; not on the general books.

Q. Making up a statement of what the Washington business has earned and what it has cost to earn it, it is necessary for you to make an expert examination, is it?—A. Yes, sir. They keep a book that shows the divisions of the earnings between exchanges, and the detailed statement of credits to earnings show there from what sources they come. They enter those up as they are received to the different exchanges. In other words, they keep a distribution of the earnings of the company to the different exchanges for that period of years.

Q. There is only one exchange in the District of Columbia, I believe?—A. Yes, sir.

Q. And in making up this statement for the seven years, beginning in 1891, of the earnings and expenses of the Washington plant, did you accept the returns from the Washington exchange as found on the books?—A. Yes, sir.

Q. Then how did you gather the statement of expenses? Are they separately kept on the books?—A. They are distributed in the same way as the earnings, on a separate distribution book. They divide the expenses the same as the earnings, by the exchanges of the company.

Q. Now, I see that in your examination you have in some cases divided certain expenses or certain charges between the Washington plant and the plant outside of Washington in the proportion of two to three, charging two-fifths to the Washington plant?—A. Yes, sir.

Q. Has that been adopted by the company as an approximate estimate of the proportion between the Washington plant and the Maryland plant?—A. No, sir; that has not been adopted by the company. That is a division which I arrived at in this way: By taking the cost of construction of the company, the total cost of construction, and the proportion which the one plant bore to the total cost, and I found it was about two-fifths.

Q. You did not base it on a comparison of their gross income?—A. No, sir; I did not, although for the year 1897 the percentage of gross earnings of the Washington plant to the whole company was 40.22 per cent, about the same as two-fifths.

Q. You did not base it on the comparison of their gross income?—A. No, sir; I did not, although for the year 1897 the percentage of gross earnings for the Washington plant to the whole company was 40.22, about the same as two-fifths.

Q. Of the total?—A. Of the total earnings; yes, sir.

Q. Have you footed up the surplus of the Washington plant as per Exhibit I for seven years? The total surplus is footed up in your exhibits, but the total surplus together with dividends is not footed up. The same thing is found on pages 207 and 208 of the printed hearings.—A. I did not quite understand the question.

Q. I want to know whether you have footed up, whether you have added the dividends paid to the Washington stock, the details of which you have in Exhibit I, and found the aggregate of them and added them to the aggregate surplus of the Washington business which you have shown on Exhibit I?—A. No, sir; this statement shows the earnings and miscellaneous income of each year and shows the deductions from those earnings, and it includes the dividends as a deduction from the earnings. So the surplus is in addition to the dividends that were paid.

Q. That is right. Now, if you add those dividends for the seven years together, you get, as I make it, $138,750, and after paying those dividends, the earnings of the Washington plant as exhibited on the books, leaves a surplus from the Washington plant of $248,226.23. Now, compare that with the statement of the same years on the aggregate of all business of the company as found in the annual reports to stockholders on page 208, and if you deduct the Washington part of the business, as shown in Exhibit I, from the total showing of all the business as contained in that statement, page 208, you will get the result of the business outside of the District of Columbia, will you not?—A. Yes, sir; I should think so.

Q. Very well. I find that the Washington dividends for those seven years were $138,750, and that the Washington surplus for the same years—you can take the figures if you wish for the seven years—which you have already footed up as shown on Exhibit I, amounted to $248,226.93. I find from the statement at the foot of page 208 that dividends on the whole stock for the same period amounted to $490,250, and the surplus of all operations for all operations in and out of the District of Columbia for the same period amounted to $319,797.92.

Now, subtract from the $490,250, total dividends, there would be $138,750 of District of Columbia dividends, which leaves a balance of dividends to stockholders outside of the District plant of $351,500. And subtracting from $319,797.92 it being the surplus inside and outside the District, $248,226.93, being the surplus earned from the District of Columbia business, leaves $71,570.99.

In other words, while the District of Columbia business in the seven years has earned $248,000 and over, the surplus received only $138,750 of dividends. The business outside has received $351,000 of dividends—more than double the amount—and has earned only $71,570 surplus. Do you catch the point I am driving at?—A. Yes, sir; I see the point you are making.

Q. Which seems to show that the District of Columbia end of the telephone business is by all means the most profitable. Is that a cor-

rect deduction?—A. Assuming that those figures from the annual reports are correct—I have not seen them before, this is the first time I have seen them—I should say that that is a correct deduction. I do not know any reason for that, you understand.

Q. If the company has charged construction expenses to expense account, instead of charging them to construction account, it would make the actual statement of the Washington business even more favorable than is thus shown, would it not?—A. If they had charged to maintenance items that should be charged to construction?

Q. Yes; it would make the actual condition of the Washington business even more favorable than is shown?—A. Yes, sir; if that was so.

Q. Now, take the dividends for the seven years on the District of Columbia plant as shown in your Exhibit I, which you can foot up yourself, if you desire.—A. $138,000. I will accept your figures.

Q. $138,750. Add to that, please, the surplus of the District of Columbia business which you footed up for those seven years as $248,226.93. The total is what?—A. $386,976.93.

Q. That makes an average per annum for the seven years of what?—A. $55,282.42.

Q. What per cent per annum is that on $750,000 of stock?—A. It is about 7.37 per cent.

Q. That surplus account is made up after deducting these expenses that we have been discussing, and if items properly charged to construction had been charged to maintenance account and gone into expenses they have decreased the apparent earnings, and the actual earnings in that event would have been greater than 7.37 per cent of the capital?—A. Anything you deduct from expenses would naturally increase the earnings.

Q. With the state of facts I have suggested, if construction has been charged to maintenance, the actual earnings for the past ten years have been more than 7.37 per cent on the total capital?—A. Yes, sir; if that is a fact.

By the CHAIRMAN:

Q. Do the papers anywhere show what the expenses of that conduit was that was put in for the old one?

Mr. PITNEY. I believe not. You can ask the witness.

Q. Does your report show the expenses of the conduit construction in the year 1897 to which you have referred in your evidence?—A. No, sir.

Q. You stated you were informed it cost about $22,000.—A. There is a record there which shows it cost about $22,000.

(Informal conversation not reported.)

Mr. BRYAN. By and by, if this assumption is worked on long enough, it will lead to the assumption that this conduit is six times or twelve time as large as the original, which is not true.

The CHAIRMAN. What was the capacity?

Mr. BRYAN. I would be glad to furnish that in detail to-morrow morning.

The CHAIRMAN. Offhand, what is it?

Mr. BRYAN. I can state it is a little larger, a very little larger, than it was before, and that the cable replaced in it, simply replaced, represents 100 pair wires in place of the 100 wires in the former cable, and we are not using the former kind of cable now.

The CHAIRMAN. How many ways has the new conduit?

Mr. PITNEY. If you are right——

Mr. BRYAN. I know I am right.

Mr. PITNEY. If you are right in your estimates, then the new conduit is capable of serving 100 metallic circuits, instead of 100 grounded circuits, as in the old conduit.

Mr. BRYAN. Precisely. That is it.

Mr. PITNEY. How many miles were there of that?

Mr. BRYAN. About 1 mile. It ran from the exchange to Twenty-second and G streets, according to my recollection. The exact figures will be given you to-morrow morning. There are books in the company's office which show exactly what that cost.

Mr. PITNEY. We are supposing some account has been kept of it, of course. What do you charge for grounded-circuit telephones?

Mr. BRYAN. Business or residence?

Mr. PITNEY. In each case.

Mr. BRYAN. One hundred dollars for business and $72 for residences on grounded circuits.

Mr. PITNEY. And what do you charge for metallic circuits?

Mr. BRYAN. One hundred and twenty-five dollars for business and $100 for residences; but the expectation, so far as that is concerned, that that would naturally result in changes from grounded to metallic have not materialized.

By Mr. PITNEY:

Q. Now, Mr. Haskins, look at your Exhibit H, on the top of page 220 of the printed hearings—"Consideration for which the $750,000 of capital stock was originally issued." There are cash items amounting to $92,000 and over, less accounts payable amounting to $15,000 and over, leaving a balance of net cash assets of $77,334.93. The next item you give is cost of actual construction of plant prior to August 1, 1883, valued at $118,580.40 on old company's books; actual cost, $91,130.21. And the last item is franchises, licenses, rights of way, etc., valued at $425,160.21 on old company's books, $581,534.86, making a total of $750,000. Now, did you have access to the old company's books?—A. Yes, sir.

Q. (Continuing.) To find the valuation of $118,540.80 for the old plant?—A. Yes, sir; I took the actual expenditures to arrive at that.

Q. And did you have access to the old company's books, which showed the valuation of $425,160.21 for franchises, licenses, rights of way, etc.?—A. Yes, sir.

Q. Did that represent any expenditures?—A. Yes, sir; there were some expenditures made for that.

Q. What were they?—A. I could not give you that offhand. I could get the details.

Q. What were the franchises, licenses, rights of way, etc., covered by that item?—A. The license to operate the Bell Telephone Company in the District of Columbia, license to use their patents and their instruments.

Q. Anything else?—A. And some items of rights of way, which I judged they had to pay for.

Q. It did not appear that they had paid anything for the license to use the Bell patents, I suppose?—A. It depends altogether upon the way in which the matter is looked at. They issued stock for this license. Of course, this is an explanation of the issue of the capital stock.

Q. Yes.—A. And that does not state, and it does not intend to state, that that amount is made up of cash represented by outstanding stock. As to whether the stock was subscribed for, and they paid that money for licensee or not, I do not know.

Q. In point of fact the stock of the old company was issued to the

licensors, was it not; and likewise the stock of the new company?—A. The stock of the new company, the $750,000, was issued for this consideration, which appears on Exhibit H.

Q. The question is whether it was not in large part issued to the licensors from whom the franchise was derived, which is referred to in the last item in Exhibit H?—A. I do not know as to the outstanding stock at that time. I think it is included in this report and statement of the amount of stock held by the American Bell Telephone Company now, but I did not examine as to the issue of stock at that time.

Q. I think you included in your report, or at least Mr. Bryan has included in his reply, the statement of the amount of stock held by the American Bell Telephone Company in each year from 1883 down to the present time. Let us see if I am not right about that.

Mr. HEMPHILL. He has done that, I am quite sure.

A. Exhibit J, do you mean?

Q. What is it?—A. Exhibit J is the statement of the dividend paid on the Washington proportion of the capital stock of the Chesapeake and Potomac Telephone Company held by the American Bell Telephone Company since the organization of the company, July 3, 1883, to December 31, 1897, and the number of shares so held.

Q. That is right. That shows that in 1883 the American Bell Telephone Company held of the stock of the Chesapeake and Potomac Company 4,739 shares?—A. That is correct.

Q. That was at the time of the organization of the new company?—A. Yes, sir.

Q. And the 4,739 shares was what they held representing the District of Columbia plant, as I understand it?—A. Yes, sir.

Q. Very well. Now, what was the par value of those shares?—A. One hundred dollars.

Q. So that that was a holding of $473,900 at that time?—A. Yes, sir.

Q. Out of a total of $750,000? Is that right?—A. Yes, sir; that is correct.

Q. And since then their holdings have been somewhat reduced, I see, so in 1897 they held only 4,269 shares?—A. That is correct.

Q. At all times since the organization of the Chesapeake and Potomac Telephone Company, the American Bell Telephone Company has held more than a majority of its capital stock?—A. Yes, sir.

Q. How much stock did the American Bell Telephone Company hold in the former company which preceded the Chesapeake and Potomac Telephone Company in the ownership of the Washington plant?—A. I do not know that, sir. I did not investigate that. That would not appear on the general books, you understand.

Q. Now, turning again to Exhibit H, Mr. Haskins—— A. Let me make a further explanation. In order to arrive at the amount of shares held by the American Bell Telephone Company, representing the Washington plant, I took the proportion of their holdings in the whole company and the proportion of stock outstanding against the Washington plant. No certificate of stock would absolutely represent, you understand, the Washington plant. I wanted to make that explanation.

Mr. PITNEY. That is correct. I understand the fact to be that the Chesapeake and Potomac Telephone Company was formed in 1883 by a consolidation of two companies—I forget the names now—the National Telephone Exchange for Washington?

A. Yes, sir.

Q. And what was it for the other plant?

Mr. HEMPHILL. The Telephone Exchange Company for Baltimore.

Q. And against that is put a fictitious amount for the value of the franchise and rights of way, etc.; in other words, it is a forced balance, is it not?—A. Yes, sir.

Q. And this statement you have made up of the District of Columbia part of the capital stock forces a balance of the $750,000?—A. This statement forces the balance; yes, sir.

Q. And the balance is forced by putting in $581,534.86 as the value of the franchises, rights of way, etc.?—A. Yes, sir.

Q. And what the actual value of those franchises, rights of way, etc., are you have no means of determining?—A. None whatever.

Q. And the books do not show?—A. No, sir.

Q. And the books do not show any material cash contribution to those franchises, licenses, and rights of way, do they?—A. Of the new company; no, sir.

Q. Or by the old company?—A. There were some payments, as I think I stated, by the old company.

Q. Very trifling, were they not?—A. I do not remember now.

Q. On pages 209, 210, and 211 of our printed hearings there is a list of the employees of the Chesapeake and Potomac Telephone Company in the District of Columbia end of the business. Did you verify that list with the books of the company?—A. I did not.

Q. Well, you will see that the first seventeen employees, I think it is, appear to be engaged in the general business of the company, including inside as well as outside of the District of Columbia, and there is the statement there that those salaries aggregate $26,940, and of this sum the proportion charged to the District of Columbia is $7,835.27?—A. I see that; yes, sir.

Q. Then below that point there is a large number of employees—first, miscellaneous employees; next, "office of electrician and superintendent of equipment and custodian of buildings." Those appear to relate to Washington business only, and so also those which come under the head of "operating department." Now, on page 210 they have a list of the employees of the construction department. I wish you would foot up the compensation paid to the employees in the construction department, as shown in that table on pages 210 and 211, beginning with "William L. Beall, clerk, $720 per annum."—A. Without confirming the figures, I make it $35,091.

Mr. PITNEY. I make it $35,393.20. I do not know that the difference is material at all. Do the reports that you saw of the expenses of construction and the expenses of maintenance give the employees and the work done on the different jobs——

A. Yes, sir.

Q. (Continuing.) Or simply the names of bosses of the jobs?—A. The names of the men also.

Q. How many such reports are there for the year?—A. There is a large book for each year—for each day.

Q. And it shows how each man was employed for each day, does it?—A. Yes, sir.

Q. Are those the original reports or the transcript of the original reports?—A. The original reports.

Q. I see that in making up your entries concerning the bonded debt and the sinking fund, on pages 214 and 215, 217 and 219 of the printed hearings, you apportion two-fifths of the bonded debt as properly applicable to the District of Columbia plant.—A. Yes, sir.

Q. Did you investigate to find out whether the District of Columbia plant received the benefit of two-fifths of those bonds, or what share

of the bonds they did receive?—A. The proceeds of the bonds went into the general fund of the company and they were used to pay off indebtedness, and did not indicate—there is no way of working it to find out whether that money was applied to the payment of debts incurred by the Maryland plant or by the District of Columbia plant. So we divided the issue of bonds on a basis of cost of construction of the respective plants.

Q. Now, do the books show to whom those bonds were issued, from whom the money came, or do they show whether they were issued for cash or whether they were issued to stockholders?—A. They show that they were sold for cash.

Q. Do they show to whom the bonds were sold in 1894 at the price of 90 cents on the dollar?—A. I think they do.

Q. How many different purchasers were there?—A. I think there was only one purchaser. I think it was a banking concern.

Q. Do you remember what firm it was?—A. Corson & McCartney.

Q. Where are they?—A. Bankers and brokers in Washington.

Q. They took the whole issue at 90 cents on the dollar, did they?—A. Yes, sir.

Q. And what they did with them you do not know?—A. No, sir.

Q. And the books do not show?—A. No, sir.

Q. You have given us in Exhibit I your statement of the surplus of the business of the Washington plant for the last seven years. Have you undertaken to make up what the present surplus is—the existing surplus—and what it was at each of these periods—what credits were made out and what charges against it?—A. Yes, sir; that is what we attempted to do in that statement.

Q. Do I understand you to say that there is a surplus as shown on the books amounting to $248,226.93 for those seven years?—A. Yes, sir.

Q. Is it separated?—A. No, sir.

Q. Then there is nothing to show what the surplus attributable to the Washington business is—nothing on the books to show, I mean?—A. No, sir.

Q. What is the surplus of the whole company at the present time?—A. I have forgotten. I think it is something over $600,000.

Q. And what is there to represent it on the balance sheet in the statement of assets and liabilities?—A. Plant, accounts receivable, material, and supplies.

Q. Any bonds held by the treasury?—A. I think not; no, sir; no bonds.

Q. If they have any bonds of this issue that they have purchased themselves they do not show on the statement?—A. I do not think they purchased any except for the sinking fund.

Q. Let us see what the meaning is, then, of your entries here in regard to the bonded debt. On page 217 of the printed hearings, in Exhibit E, the bonded debt, total issue, $500,000; less bonds in the treasury and in the sinking fund, $127,000; leaving outstanding $373,000, of which two-fifths are applicable to the Washington plant, namely, $149,000. That shows that some bonds have been purchased outside of the sinking-fund requirements, does it not?

Mr. BRYAN. No, sir.

A. I do not think any bonds have been purchased outside of the sinking-fund requirement.

Mr. BRYAN. Those bonds appear to be extra—beyond the sinking fund. They were purchased by the trustees out of the accumulated returns from these bonds. We pay interest on these bonds twice a

year, and the trustee having $50,000 of bonds in his hands for the sinking fund would naturally have $2,500 every year to apply to the purchase of additional bonds in order to increase the amount in the sinking fund. He is authorized to invest the earnings of those bonds in the sinking fund.

Q. So I supposed. What has been the total contribution to the sinking fund by the company to the present time?—A. By this statement it appears to be $127,000.

Q. What would be the contribution to the sinking fund according to the terms of the bonds?

Mr. HEMPHILL. Eight thousand dollars a year.

Q. For the Washington plant?

Mr. HEMPHILL. If $8,000 is two-fifths, the whole would be $20,000.

Q. And that going on for how many years?—A. I do not know the date of the bonds.

Q. It can not be more than four.

Mr. HEMPHILL. The date is here—1893, or something of that sort.

Q. It can not be more than four annual contributions, and that would be $80,000. Is that right, Mr. Bryan?

Mr. BRYAN. I should think not, because $80,000 certainly could not earn $47,000 in interest in that time.

Q. The report of the expert does not show that it has earned it. The report of the expert shows that there are bonds in the treasury, and that is what I am inquiring about.

Mr. BRYAN. The bonds in the sinking fund are in the hands of the trustee and indorsed as a thing for the benefit of the sinking fund, $127,000.

Mr. PITNEY. How do you know that?

Mr. BRYAN. Of my own personal knowledge, because I have constant knowledge of the workings of the sinking fund.

Mr. PITNEY. What is the annual contribution to the sinking fund?

Mr. BRYAN. There was an authorized issue mortgage $600,000 bonds; $400,000 only were issued, and the mortgage stipulates that after two years 5 per cent of the total issue shall be paid into the sinking fund to the trustee.

Mr. PITNEY. What about the first two years?

Mr. BRYAN. It was to begin after the first two years. Now, there has been $100,000 additional issued since that time, which makes the annual contribution $25,000, because it stipulates that 5 per cent of the total issue shall be paid into the sinking fund. So the contribution into that fund is $12,500 every six months now, instead of $10,000 every six months, as formerly.

Mr. PITNEY. And it begun in 1896, didn't it?

Mr. BRYAN. I am not sure.

Mr. PITNEY. The bonds were issued in 1894.

Mr. HEMPHILL. You will see on page 219, $400,000 of the bonds sold at 90 per cent, and December 23, 1897, $100,000 of bonds sold at 103.

The WITNESS. That does not indicate the date of the bonds.

Mr. BRYAN. They were sold before 1894. I do not know what that date refers to that you spoke of there.

Mr. HEMPHILL. This is the source from which the money expended for construction was obtained. You certainly did not begin to pay to the sinking fund until the bonds were issued?

MR. BRYAN. We began to pay the sinking fund a considerable time after the bonds were issued.

Mr. HEMPHILL. Two years, I understand?

Mr. BRYAN. I am not sure, but some time after—certainly more than a year.

Mr. PITNEY. Do your books show the sinking fund account?

Mr. BRYAN. Yes, sir.

Mr. PITNEY. Did the trustee make returns to you on earnings and income?

Mr. BRYAN. He does not make returns to us periodically, but we keep a close watch on the sinking fund to see what it is.

Mr. PITNEY. He shows when contributions to the sinking fund began and what were made? You do not buy the bonds and turn them over to the sinking fund, do you?

Mr. BRYAN. If I could buy a bond at a low price I would, and if the sinking fund did not want it we would dispose of it in another way. It is turned over to the sinking-fund trustee as cash, and the mortgage provides that in the investment of this money for the sinking fund the trustee shall consult the officers of the company in making the investments, and it has been deemed advantageous to the company to buy in the bonds.

Mr. PITNEY. Suppose you bring us a copy of the sinking-fund account.

Mr. BRYAN. I will be glad to do so.

The WITNESS. Referring to the treasury question there, when they sold $100,000 of the bonds—in December, 1897, I think it was—they carried $15,000 of those bonds in the treasury until the 1st of January, and then turned them over this year to the sinking fund, so it appears there in the treasury, and they were for the sinking fund.

By Mr. PITNEY:

Q. Do you know what has been expended in the purchase of franchises and rights of way since the 1st of August, 1883?—A. I do not know that.

The CHAIRMAN. Has anything been expended?

A. Not that I know of.

Mr. PITNEY. You say there were some expenditures on that account by the old company?

A. That is my recollection.

Q. I wish you would make a memorandum of that and look it up and bring us a detail of it. Will you not?—A. Yes, sir.

Q. You have got in your statement here some items for the purchase of real estate. You put it into the construction account?—A. Yes, sir.

Q. Do you know what real estate that was?—A. Yes, sir; I think it is described in the statement here.

Q. Do you know whether any rental has been received for it since?—A. No, sir; it is used for storage.

Q. On page 200 you will find the statement of royalties paid by the Chesapeake and Potomac Telephone Company to the American Bell Telephone Company, which is not a part of your report, but it is returned by the president of the company to this committee in connection with certain parts of your report. Did you make up that statement?—A. The statement of the rentals and royalties paid to the American Bell Telephone Company for the years 1891 to 1897 inclusive; yes, sir.

Q. Did you make up that statement?—A. Yes, sir.

Q. What were those rentals and royalties paid for and at what rates, if you please?—A. The statement here I think shows the rentals. The Exhibit M shows the rate of rental per telephone to the American Bell Telephone Company in effect December 31, 1897.

Q. How did you get that information?—A. We got it from the letters of the American Bell Telephone Company. They reduced the rate; I have forgotten just the date.

Q. Was any royalty paid for the Berliner patent, or the Berliner device?—A. I do not know, sir. This was the royalty paid for the rental of telephones. I do not know what the royalty is for. The instrument rental, private lines, for telephone is $2.50 per year, and for speaking tubes it is $1.25 a year. The extraterritorial is divided on a different basis. They get 15 per cent of 85 per cent of the amount received for the extraterritorial receipts, and the telegraph lines get 50 per cent of the amount of revenue received by the company, which is 15 per cent of the amount received for the telegraph.

Q. The other half of that 15 per cent goes to the American Bell Telephone Company?—A. I see they get half.

Q. They get half and the local company gets half?—A. Yes, sir. Speaking tubes should be $1.50 instead of $1.25, as I stated.

Q. Were you furnished with an inventory of the assets of the company?—A. No, sir.

Q. You do not know whether they have such a thing?—A. Well, they have a report of materials and supplies on hand, and the number of instruments on hand. I do not know that they have any other assets.

Q. Are the instruments in use by the subscribers counted in the assets of the Chesapeake and Potomac Telephone Company?—A. No, sir.

Q. What instruments are counted as assets?—A. I do not know that they have any instruments counted as assets.

Mr. BRYAN. Everything except the telephone instruments, transmitter, and receiver are counted in our equipment, and we have a list of those. The magneto-bell and equipment, the battery, the telephone cords, and everything that goes to equip a telephone station belongs to the Chesapeake and Potomac Telephone Company and is counted in our construction and equipment account.

Q. Well, while you are on that subject, perhaps you can tell me what royalty you pay to the Berliner people for that device?—A. We do not pay anything to them as a device. We pay them a certain royalty on an instrument.

Q. The Berliner device enters into what instrument?

Mr. BRYAN. Into every instrument that is in use in the United States.

Mr. PITNEY. Does it enter into the Blake transmitter?

Mr. BRYAN. Yes, sir; it is a part of the Blake transmitter. The question is never raised between Blake and Berliner or the Blake instrument would have to be set aside.

Mr. PITNEY. Do you pay the same royalty for the Blake transmitter as for the Berliner?

Mr. BRYAN. We pay just the same whether it is a solid back or an old Blake transmitter.

Mr. PITNEY. And you use some of the old Blakes, do you?

Mr. BRYAN. Yes, sir.

Mr. PITNEY. Have you told us how many, or what proportion?

Mr. BRYAN. I am not able to tell what proportion offhand, but I think probably three-fifths or more of the instruments in the District of Columbia are the Blake pattern.

By Mr. PITNEY:

Q. Now, Mr. Haskins, I was asking you a question a while ago, and I want to ask you another about this matter of charging depreciation.

You say it is proper to charge it to the expense account?—A. There is a difference of opinion on that point. Some think it ought to be charged to expense account and others that it ought to be charged to the surplus earnings.

Q. If you keep a separate construction account and do not charge construction to expenses, construction is chargeable to surplus, is it not?—A. You mean expenditures for construction?

Q. Yes.—A. They are supposed to come out of the earnings, unless they issue capital for it.

Q. They come out of the accumulated earnings, but accumulated earnings are surplus, are they not?—A. Yes, sir; unless they issue capital for construction.

Q. That has not been done in this case?—A. Except these bonds that have been issued. You might consider that as an issue of capital against the construction.

Q. How many times have they issued bonds to cover construction account—in what amount?—A. They have issued a total of $500,000.

Q. At how many periods?—A. June 9 and 10, 1894, and December 23, 1897.

Q. Three issues?—A. Yes, sir.

Mr. BRYAN. I might be able to make that a little clearer. There was one issue of bonds only issued—$600,000. But only $400,000 were put on the market, because at the time money was exceedingly tight and we did not try to put more on the market at that time. Two hundred thousand dollars were reserved in the treasury, $100,000 have been since disposed of. The other $100,000 of bonds is still in the treasury of the company unsigned.

Mr. HEMPHILL. One hundred thousand dollars out of the $500,000?

Mr. BRYAN. Out of the $600,000.

Mr. PITNEY. Will you make a memorandum that we want the annual reports to the stockholders?

Mr. BRYAN. I make my reports to the directors.

Mr. PITNEY. Don't the directors make a report to the stockholders?

Mr. BRYAN. Sometimes they do.

Mr. PITNEY. Well, let me have copies of all your reports to the directors, and copies of all the reports from the directors to the stockholders.

Mr. BRYAN. The usual plan is to adopt the report of the president to the directors as a report from the directors to the stockholders. Sometimes that is done and sometimes it is not.

Mr. PITNEY. Please let us have copies of all those reports.

Mr. BRYAN. Is that all you desire furnished?

Mr. PITNEY. Not all; but I want you to make a memorandum of what we want as we go along.

Mr. BRYAN. I wanted to speak about the minute books. It is a grave question how long those ought to be out of the hands of the company. If they are to be kept in the committee rooms for any length of time I would like to know it.

Mr. PITNEY. I do not think it would take very long to examine them.

Mr. BRYAN. I should not like them to go out of the hands of the company longer than from morning until night.

Mr. PITNEY. That will probably answer. Mr. Bryan, also, if you please, bring each annual statement showing assets and liabilities; also each annual balance sheet.

Mr. BRYAN. The balance sheet goes with the reports.

Mr. PITNEY. Do you make an annual statement of assets and liabilities?

Mr. BRYAN. The assets and liabilities; a statement of that kind accompanies every report from the president to the directors. That is included.

Mr. PITNEY. I would like to have the first ledger of the new company and also the first journal, with particular reference to capital stock accounts. We have not got in the expert's report everything I want to get and I may want to ask some questions of the expert with regard to those.

Mr. BRYAN. The first ledger?

Mr. PITNEY. The first ledger and first journal. Those are the books you showed me, Mr. Haskins, you remember?

The WITNESS. Yes, sir.

Mr. PITNEY. Now, Mr. Bryan, have you any title deeds for which franchises, rights of way, etc.——

Mr. BRYAN. We have the contracts which are all the title deeds we require.

Mr. PITNEY. Have you any rights of way to hold up the title deeds?

Mr. BRYAN. No; but I do not know how many there are. Our principal rights of way are derived from the acquiescence of Congress in 1880 in what we had done previous to that time, and in their subsequent acquiescence in what we were doing.

The CHAIRMAN. Have you acquired any rights of way under this new company for which cash was paid or other value?

Mr. BRYAN. We acquired minor rights of way, Mr. Chairman, from time to time, when we are compelled to do so. We have sometimes to cross private property.

The CHAIRMAN. Now, will you submit a statement of those separate acquisitions since this company was organized?

Mr. BRYAN. I shall endeavor to do so. Many of them, though, I may say, have expired. Sometimes we acquire a right of way for six months, sometimes for a year, and sometimes only for sixty days, and unless there is some particular point about it——

The CHAIRMAN. The point is this, as I understand it, to show what those rights of way cost.

Mr. BRYAN. Those rights of way about which I have been speaking have been paid for and charged into the expense account of the company because they were of no permanent value.

The CHAIRMAN. Then they are all represented in the current expenses?

Mr. BRYAN. Yes, sir.

Mr. PITNEY. One other thing I want, and perhaps Judge Wilson is the proper person to ask. We would like to know under what permits and under what authority of law the underground conduits and overhead wires of the Chesapeake and Potomac Telephone Company have been constructed, and whether those rights, licenses, franchises, or whatever they are, are not revocable at the pleasure of Congress?

Mr. WILSON. I can show you all that. It is all embodied in acts of Congress.

Mr. BRYAN. We could not do it this afternoon.

Mr. PITNEY. Perhaps you had better make up a memorandum of that, if you please.

Mr. BRYAN. I have the information you have asked for just now. Mr. Hemphill promised, by the record, to furnish you that some weeks ago, but I can furnish it.

Mr. PITNEY. If you can not rely on Mr. Hemphill, we will have to go to the company.

Mr. BRYAN. The company is willing to do it.

Mr. WILSON. I think this committee is presumed to know the law. You are presumed to know the statutes you have enacted, but I will furnish them to you.

Mr. PITNEY. Mr. Chairman, if the other members of the committee do not desire to pursue the examination at this time any further, I ask that Mr. Birney and Mr. Hemphill be given a chance to cross-examine. At the beginning, the other day, I told them that they might make a memorandum of points they desired to cross-examine upon.

By Mr. PITNEY:

Q. I desire to ask a question which is suggested by Mr. Birney. Mr. Haskins, look at your Exhibit A, page 213, under the item of expenses. For the four years from 1894 to 1897, inclusive, you have these amounts down for salaries and wages: For 1894, $20,787.82; for 1895, $23,031.53; for 1896, $28,231.48; for 1897, $47,454.18. Those increases represent an increase in salary or rate of wage, or do they represent a larger number of persons employed?—A. They represent a larger number of persons employed. There was more work done in 1897 than in the other years.

Q. More work done in each year than in the preceding year; apparently a constant increase?—A. Yes, sir.

Q. Do you know whether any salaries were increased?—A. I do not think any salaries were increased. I did not compare the salaries, but I saw no indications of it. You will note—an answer that will prove the assertion—that there was more material used in 1897.

Q. In 1895 they used less than half the material under the maintenance items than was used in 1894, yet the amount charged for salaries is greater?—A. Yes, sir.

Q. How can you explain that?—A. A different class of work done. That is the only explanation of it, sir.

Q. In 1896 they used $6,000 less material and expended $7,500 more for salaries and wages under the head of maintenance?—A. Yes, sir; that is a fact.

Q. There is no explanation of that except what you have just suggested?—A. A different class of work done.

The CHAIRMAN. Have you some suggestions as to the difference that may have existed in the work?

A. I only know as to 1896 and 1897. I investigated those two years in detail and there was more material used in 1897 because they made more replacements than they did in 1896.

Q. Why was that more expensive in labor than material?—A. It was more expensive in material; that is the point.

Mr. PITNEY. Well, it was nearly twice as expensive in labor as in 1896, nearly three times in material.

A. About three times in material.

Mr. BRYAN. I think I can give an explanation of that in a general way. The relative price of labor to material is much greater if you are putting up a pole costing $30, for example; in such case it requires a much larger number of men than if you are drawing in $300 worth of cable. That requires only one-fifth or one-fifth to one-eighth of the number of men; and it depends entirely on the character of work being done. One hundred dollars' worth of material may require more than double the cost of the material to work it up or put it in shape; while, on the other hand, $1,000 worth of material may cost comparatively little to put in place.

Mr. PITNEY. What book or books will it be necessary for you to

bring to us to show us the items of this maintenance account for the past four years?

Mr. BRYAN. I would prefer you to ask Mr. Haskins that.

Mr. PITNEY. What about that, is it all in one book for those four years?

The WITNESS. No, sir.

Q. Is there a separate book for each year?—A. Yes, sir.

Q. One book covers the year?—A. Since 1896 they have a book for each year, and prior to that they have daily reports fastened together. That would not give you the total cost of the different classes of work.

Q. What will it give?—A. The work these men did each day.

The CHAIRMAN. And the kind of work they did?

The WITNESS. Yes, sir.

Q. And your analysis has to be made up separate?—A. Yes, sir.

Q. Have you the work which you did in making this Exhibit A?—A. No, sir.

Q. Has it been destroyed?—A. No, sir. I did not bring those figures together. It would take quite a long time to do that.

Q. How did you bring the figures together?—A. I did not take each day's work and figure up and bring that down to a total.

Q. How did you do it, please?—A. By investigating the vouchers and pay rolls and material reports, and found that the items were charged to maintenance properly, according to the books and records, and then I took the detailed reports and looked through those to see exactly what the men were engaged upon for those two years, but did not totalize one against the other, because it would have taken a very long time to have done it; and there was no evidence in the books, I will state, showing the necessity of going through that detailed work. The books apparently were intended to be kept correct.

Q. It is a question whether items properly chargeable to construction have not been charged to maintenance. I do not say it is improper, but we were trying to find out the actual cost of service. Can not you bring us those material accounts for the last four years?

Mr. BRYAN. We could bring the material accounts, probably, for the last four years, but I will say by way of notice that if you desire to have the analysis that your question would seem to indicate it will require four or five experts several months, and perhaps a year, to obtain it, and it would require four, yes, five, times the number of bookkeepers that I now employ to keep the books in such a way as to show that from the books. There is no business house in the United States that keeps books in such a way or that can be kept in such a way without it is kept simply as a matter of experiment and not as practical business.

The CHAIRMAN. I want to ask you if, from your personal knowledge, you are able to say that these different kinds of work—the material that you have spoken of a moment since, by way of illustration—will account for the difference in these different accounts?

Mr. BRYAN. Undoubtedly.

The CHAIRMAN. Not undoubtedly; but whether you have the knowledge and can now recall the work that was done, so you are able to state to the committee how that was. That is the point.

Mr. BRYAN. It is impossible for that to be done.

The CHAIRMAN. I did not know but you had some present knowledge in a general way, not specifically——

Mr. BRYAN. That naturally carries us off from the point—the propriety of the charges. If the charges are properly made then this thing must naturally follow.

The CHAIRMAN. We do not want the argumentative form, but wanted your present knowledge.

Mr. PITNEY. The long and short of it is that we have to accept your statement of it in toto or dissent from it in toto, or go into a long and tedious explanation that is going to run over a couple of months.

Mr. BRYAN. I am perfectly willing to submit my people for examination under oath. My explanation of the distribution of charges, I think, will bear investigation. The instructions have always been, and are now, that where an extension is made that does or is likely to lead to increased business that that shall be a proper charge to construction, and if it is simply a replacement of something that before existed, that does not and can not increase the earning capacity of the company, it should be charged to maintenance and find its way into expense.

Mr. DOCKERY. Right there let me ask a question. I understand your proposition to be substantially in harmony with the views expressed by Mr. Haskins. Now, in view of that agreed statement, it seems to me there ought to be some way to approximate, at least, the cost, if such there be, that has been improperly charged to maintenance. To illustrate, I understand you agree that where you replace an old conduit with a new one without any additional earning capacity that that is charged to maintenance and should be charged to maintenance; but if you replace a conduit with such capacity as to increase the earning capacity that the additional cost should be properly charged to construction. Now, is there not some way by which you could approximate that additional cost?

For instance, during the year 1897 there seems to have been quite a large increase in the cost of maintenance, and there is a particular conduit referred to, an extension, I believe, in which an old conduit was replaced by a new one with an increased capacity, referred to a moment ago in your testimony. That evidently gives the opportunity for enlarging business. Instead of the 100 grounded wires you have 100 metallic circuits which, under your schedule of prices, enables you to realize a larger income. Now, it would seem that there ought to be something, a part of that expense, at least, which should be charged to construction.

Mr. BRYAN. Would it be fair to charge a part of that to construction if the 100-pair cable represents less or the same, for example, as the cost originally of the grounded-circuit cable it replaced?

The CHAIRMAN. You mean in actual receipts?

Mr. BRYAN. No; I am talking now about the construction. Suppose the grounded circuit cable originally cost $1,000, for illustration. Suppose that the hundred pair metallic circuit cable which has double the number of wires twisted in pairs; suppose that cost just the same as the grounded circuit that it replaced. Wouldn't it be fair to charge that to maintenance in order to preserve the equilibrium in your construction account?

Mr. DOCKERY. That is a hypothetical case, and yet it seems to be an improbable case, for the reason that the rates of charges are very much increased with the metallic circuit. If that is true, that you can replace an old cable that carried grounded wire—I believe you call it that—with metallic circuit wires for the same cost, it would look like you ought not to increase the charge to subscribers.

Mr. BRYAN. The cable does not run from our exchange to the subscriber, and whenever you go to overhead line, which you have to do, it is an increased expense, and you have to run two wires of copper instead of two wires of steel, costing about six times the price.

The CHAIRMAN. But you do not do that until you have the metallic circuit.

Mr. BRYAN. Very well, I know we don't; but Mr. Dockery's question leads to that.

The CHAIRMAN. No, not to that; excuse me. Mr. Dockery's question only leads to the possibility of the foundation for that further expenditure, which would be covered with the further revenue.

Mr. BRYAN. As long as we used that 100 pair cable for grounded circuit wires, we can only serve 100 subscribers, because if two persons were connected on each pair of that cable, the cross talk would be so great that it would not be operative, so that as far as the serving grounded circuits is concerned, the 100 pair takes the position that the single cable did.

The CHAIRMAN. Why did you put it in?

Mr. BRYAN. We put in 100 twisted pairs in anticipation of the time when the metallic circuit would come, which must come.

The CHAIRMAN. Then you have so much of a plant, haven't you, stored up and ready for use, which has cost so much money, and against the time when you expect to and may utilize it?

Mr. BRYAN. Yes, sir; but it is hardly understood, I think, by the chairman yet—and that is this: That the cost of the original cable, we will say by way of illustration, was $1,000. If the cost of the present cable, which can serve no more grounded circuit subscribers than the old one, was the same, then it should go into maintenance, or otherwise expense, for the reason that if you did not put it in that way you would have something in there costing—you would have some part of that charged to construction when already the full cost of it had been charged to construction, and your construction account would be built up at the expense of facts.

The CHAIRMAN. But it has cost $2,000, and you have an opportunity there for the utilization of that $2,000 when you have the metallic circuit established.

Mr. BRYAN. But the metallic circuit cost is not represented in that cable. The additional cost is represented from the time of leaving that cable to the station and the equipment of the station, which is a great expense.

Mr. PITNEY. If you were not taking out old work and putting in new, your cost of maintenance would be a bagatelle, would it not?

Mr. BRYAN. By no means.

Mr. PITNEY. What are the items that enter into the cost of maintenance outside of substitutions?

Mr. BRYAN. The large item is and must be the manual labor employed in that work, as shown by the pay rolls.

Mr. PITNEY. I mean if the manual labor goes into substituting largely?

Mr. BRYAN. No; you have to keep lines in order. We have storms here that cost us $15,000 or $20,000 at a time, and while we have a very large amount of underground work, the overhead lines suffer from storms and numerous causes.

Mr. PITNEY. I want to call your attention to the fact that the total amount expended by your new company for plant, as shown by your statement on page 204, is $477,000, about, and the total actual cost of the old plant, as shown on page 220 of the printed hearings, is $91,000, about. That is $570,000, or thereabouts, which I believe takes no account of depreciation. For a plant worth that much, if that is its value, you have charged in the last four years $248,000 for maintenance

Mr. BRYAN. I do not think that is excessive at all, because, assuming that the plant is only $500,000, you can not keep your plant in order and have it at the end of ten years in the shape it was for the expenditure of $50,000 a year. The life of a telephone plant—the whole of it—has been estimated at anywhere from seven to twelve years. I should take it that ten years was an extraordinary life for a telephone plant. There are underground ducts that will last longer; there are pole lines that will not last nearly so long.

The CHAIRMAN. Mr. Hemphill and Mr. Birney, are there any questions that you want to ask?

Mr. HEMPHILL. I want to ask Mr. Haskins some questions.

By Mr. HEMPHILL:

Q. You divide up the expense between this and the Maryland division on a basis of two-fifths for this District?—A. No, sir; not expenses. Expenses are specified, except certain amounts of the journal expenses, which are divided on a basis of earnings.

Q. Well, does the two-fifths relate—— A. That relates to the bonded indebtedness. We divided that on the basis of two-fifths only, and the interest fund on the bonds, and the sinking fund on the bonds, that was divided on the cost of construction of the respective plants.

Q. Does that show it is about the proper proportion—about two-fifths?—A. Yes, sir.

Q. Won't it be fair, then, to charge up two-fifths of the total capital stock on the same basis? The total capital stock is $2,650,000, and there is for the District of Columbia $750,000.—A. Yes, sir.

Q. Why is that sum fixed?—A. That is the division that was made at the inception of the company, August 1, 1883.

Q. Does that appear on the books of the company?—A. Yes, sir; that appears on the books of the company.

Q. That was merely an arbitrary division, I presume?—A. Yes, sir; as far as I know.

Mr. BRYAN. I can enlighten you on that. The division was made according to the business of the company that existed at the time of the division. The apportionment now is upon a different basis. The apportionment now is nearly in accordance with the proportion of business in each part of our territory as shown by the last return.

Mr. HEMPHILL. That is about two-fifths, then?

Mr. BRYAN. Yes, sir.

Mr. HEMPHILL. Then, on that theory, would it not be fair to charge two-fifths of the stock to this District?

Mr. BRYAN. By no means, because the other apportionment was fair at the beginning; and if the District of Columbia has developed faster than the other parts of the territory you can not change it so that it will be charged with additional stock, because if it had been two separate companies you could not have done that. It would not be fair.

Mr. HEMPHILL. But the point is it is one company, and it does not make any difference to the stockholder whether you charge the District of Columbia one-half or two-fifths.

Mr. BRYAN. I do not know that it does. But if you have been working on the theory that this division was based, in the first place, on common sense or any figures, let those figures keep up their proportion as they will; but when the District of Columbia forges ahead and makes the proportion different, let us not mix the two things up.

Mr. HEMPHILL. The only difference is that according to my figuring here the total cash that was derived from the issue of this stock—either

stock or cash assets—was $168,000 and some cents, and if the two-fifths of the capital stock is charged up to this District, making $1,060,000, it will leave $891,534.86, which will represent the water in the stock of the District of Columbia. That is the point that I wanted to bring out in the question.

Mr. BRYAN. I will answer that and simply appeal to the committee that that is an unfair question, an unfair statement of the case, inasmuch as the capital has not changed. If $750,000 represented the District of Columbia and properly represented it at that time, that is the figure that must be carried on the books straight through in arriving at any calculation. If the $750,000 of stock and the business which it represents, which is the District of Columbia, has gone ahead so that it represents three-fourths of the business to-day of the entire country, it does not make a particle of difference.

Mr. PITNEY. I suppose the meaning of Mr. Hemphill's question is this: That, taking the supposition that the amount put into the capital stock as against franchises and rights of way, supposing that to be water, the District of Columbia business is paying dividends not only on the water of its own stock but on the water of the Baltimore concern.

Mr. HEMPHILL. That is it; two-fifths of the income practically comes from the District of Columbia.

Mr. BRYAN. This committee asked me to submit figures on the basis of the capital represented by the District of Columbia, and all the figures that are made up are made up upon that basis, and if you depart from that basis you are at sea unless you set your experts again at work and make it up on a different basis. If there was a certain amount of water in the $750,000 of stock in 1883, and the capital has not been changed since that time, there could not possibly have been an injection of water into the stock——

Mr. PITNEY. I think I know what he means.

Mr. BRYAN. I know what he means. He means to throw discredit on the Chesapeake and Potomac Telephone Company's business in the city of Washington.

Mr. HEMPHILL. We are trying to get at the facts.

Mr. BRYAN. I beg to differ with you.

Mr. PITNEY. According to the statement in Exhibit H, on page 220 of the printed hearings, there is a nominal amount—a conventional amount—namely, five hundred and eighty-one thousand and odd dollars out of $750,000 of stock. That is what Mr. Hemphill would call water—we are not including ourselves by that characterization—and there was still a greater amount of water, if that is water, in the remaining part of the stock issued, which represented the Baltimore plant.

The question now is, What are reasonable rates for Washington? How much ought the business reasonably to contribute to the company? And Mr. Hemphill probably desires that the reasonable rate shall be adjudged with respect to a Washington investment, and that the Washington subscribers shall not be charged rates that shall enable the company to pay dividends on watered stock.

I think that is a fair inquiry, and we will get at it when we see the stock ledger.

Mr. BRYAN. I am glad you are a mind reader, because you stated Mr. Hemphill's case better than he could.

Mr. PITNEY. You said you understood it, and I wanted to see if I did.

By Mr. HEMPHILL:

Q. That is all right, and we will both agree to that. On page 215 I see you charged off the depreciation there for four years at $53,861.28. Is that an estimate of your own, or do you take that from the books of the company?—A. That is taken from the books of the company. That statement was made up simply to bring the amount, the surplus, down to agree with that as it stands on the books.

Q. You do not know whether that is a proper charge to depreciation or not, then?—A. No, sir; I do not.

Mr. PITNEY. You might ask of Mr. Bryan how those figures are arrived at.

Mr. HEMPHILL. Can you state how those figures were reached?

Mr. BRYAN. What figures?

Mr. HEMPHILL. For four years here the total depreciation is put down at $53,861.58. That is on page 215. There is none charged for the year 1897, and three different sums for the other years.

Mr. BRYAN. Yes; I can tell you how those sums are arrived at. We plan at the beginning of the year for the rebuilding of such parts of our plant as has worn out or is wearing out, and when by any accident or incident or District regulation or prohibition on the part of the Commissioners or Congress we are not permitted to spend more than a certain sum of that money, we apply the other to the accounts as depreciation. We feel that we are the best judges of what our plant is like, and how far it has decayed and become useless.

Mr. HEMPHILL. You fix that amount at the beginning of the year—fix a certain amount to be expended—and if you do not expend it you charge it off to depreciation?

Mr. BRYAN. Yes, sir; charge it off to depreciation. We are satisfied that the depreciation has gone on to that extent, and we make that charge. It is impossible for any living man to make an actual depreciation charge, and that is as near as we can come to it.

Mr. PITNEY. Suppose in the years 1894, 1895, and 1896 you were prevented by means beyond your control from making certain changes you thought were necessary, and the aggregate of your failure was $56,000, then you were permitted to do it in 1897, you charge it up twice, don't you?

Mr. BRYAN. No, sir; we figure out what the depreciation is. There was a large amount of work which we knew perfectly well in making the appropriations for 1894, 1895, and 1896 we would not be permitted to do, but by a liberal provision in the appropriation bill of March, 1897, we were permitted to do things which we were not able to do before; we did expend that much.

Mr. PITNEY. And you charged it to expense account?

A. We did.

Q. You had already charged $53,000 under the head of depreciation?

Mr. BRYAN. There is a large amount of depreciation, I will point out to the committee——

The CHAIRMAN. Will you specify the things which you were not permitted to do that ought to have been done?

Mr. BRYAN. We are not allowed to set poles and string wires as we wanted to and take out the old iron wire and put in copper wire.

The CHAIRMAN. You were not forbidden putting up copper wire, were you?

Mr. BRYAN. Yes, sir. We had to remodel our plant. A telephone business is a big one. The drift of things is one way at one time—in one direction at one time—and then at another time in another direction.

We find that subscribers are multiplying in certain sections, decreasing in other sections, and we have to remodel, and therefore it was not allowed——

The CHAIRMAN. You were not allowed to put up overhead wires?

Mr. BRYAN. No, sir.

The CHAIRMAN. There was no prohibition as to underground conduits?

Mr. BRYAN. There has been for years; yes. We can not open a street to run a foot of it now. We only put that plant down in 1897 because it replaced the old one.

The CHAIRMAN. Go back to the overhead wire—you were not forbidden to substitute copper for iron?

Mr. BRYAN. We were not forbidden to put one copper wire instead of one iron, but we did not care to reconstruct——

Mr. PITNEY. What provision was there in the act of 1897 that enabled you to go ahead?

Mr. BRYAN. That provision enabling us to run wires from alley poles or houses in one block to alley poles or houses in another block. There is a lot of depreciation going on that can not be seen. We can not tell what damage is going on in an underground cable until some fine day you are advised by a failing of the wire that a section of cable 100 feet or several hundred feet long has gone and has to be thrown into the junk heap. We have to provide for depreciation for those things that can not be seen.

The CHAIRMAN. From what causes do they come?

Mr. BRYAN. From electrolysis. They come from the unauthorized use of the pick in the hands of the brawny colored man who is digging a trench for a plumber, or a plumber, who wants to drive a pipe, puts a spur of steel at the end of it, and, in place of excavating, drives the pipe through, piercing our cable.

The CHAIRMAN. How often does that happen? How many instances of that kind do you recall?

Mr. BRYAN. I can not tell how many feet of cable we have lost.

The CHAIRMAN. I am saying nothing of the cable. I am speaking of the instances—the times when it has occurred.

Mr. BRYAN. The times when it has occurred?

The CHAIRMAN. Yes; from driving pipe through, as you say.

Mr. BRYAN. That is a common practice here, and it will be impossible——

The CHAIRMAN. We understand the practice; but what I am after is how many times has that worked mischief to your wires?

Mr. BRYAN. We have now a case in point——

The CHAIRMAN. Very well, one case. How many other times?

Mr. BRYAN. We do not know how many times it has occurred, because we have a great deal of conduit down without cable in, and when we try to draw the cable through, and not until then, we discover the damage, and we anticipate a great deal of trouble from that cause now.

The CHAIRMAN. Anticipating more than you have had?

Mr. BRYAN. If we anticipate at all——

The CHAIRMAN. You do not quite suit me, I am frank to say, in your answers.

Mr. BRYAN. I will endeavor to.

The CHAIRMAN. We want to know how much you have been troubled from that cause—driving of gas pipes. Only one case of that kind?

Mr. BRYAN. Yes, sir.

The CHAIRMAN. How many from the pick that you spoke of in the hand of the negro?

Mr. BRYAN. I suppose we have been affected one hundred times.

The CHAIRMAN. The most trouble, however, is from electrolysis?

Mr. BRYAN. Yes, sir; but when we had the old conduits down the main trouble was from the plumber and his pick.

Mr. PITNEY. Let me understand whether those three sums charged to depreciation in 1894, 1895, and 1896, aggregating fifty-six thousand and odd dollars, were arrived at by taking the estimated charges of plant you made up at the beginning of each year and adding the charges that were actually made in each year.

Mr. BRYAN. They were not all due to that. It was a general calculation made up to endeavor to keep a point—maintain a point—at which we would not be deceiving ourselves as to what we had.

Mr. PITNEY. How did your general calculation, for instance, happen to come out, at the end, 23 cents? Why not 34 cents? It looks like computed amounts.

Mr. BRYAN. We have the figures.

Mr. PITNEY. Please bring the figures.

Mr. DOCKERY. That is an anticipated depreciation, is it not?

Mr. BRYAN. Everything in the way of depreciation is anticipated.

Mr. DOCKERY. It does not occur after the facts. You do not determine the amount of depreciation after it has occurred, but by an anticipatory estimate?

Mr. BRYAN. Yes, sir.

Mr. HEMPHILL. You have charged up here $53,000 for those three years for work you expected to do and you did not do?

Mr. BRYAN. That, together with our estimate of what depreciation ought to be.

Mr. HEMPHILL. Then in 1897 you did the work you wanted to do in 1895 and 1896 and 1897?

Mr. BRYAN. Yes, sir.

Mr. HEMPHILL. So you have to charge that up to depreciation, and then when you have the work done you charge it up to expense, as I understand it.

Mr. BRYAN. No, we don't. We have done nothing in the way of repairs in 1897; not one dollar's worth in the way of repairs to underground in 1897. We may have done one dollar's worth, but certainly have done nothing to amount to anything, except those two pieces of repairing, one on Fifteenth street and one on G street.

Mr. HEMPHILL. More than ordinary?

Mr. BRYAN. Yes, sir; because that had been several years getting in that condition. In addition to that we have 13 or 14 miles of underground that is still undergoing wear and tear and depreciation.

Mr. DOCKERY. You have estimated here for three years $53,000 of depreciation. That is an estimate, because you could not make certain repairs you wanted to make on account of regulations of the District Commissioners? Now, in 1897 you did very greatly increase the value of your repairs, making the total, I believe, $107,000. Did not that include—I am asking this for information—the depreciation that existed for 1894, 1895, and 1896?

Mr. BRYAN. Not at all; because, as I say, we have 13 or 14 miles of underground wire constantly depreciating, and we do not apply any of that.

The CHAIRMAN. Congress has never prohibited you from repairing underground wire, has it?

Mr. BRYAN. No, sir; I asked permission of the Commissioners to replace, and they said if I would change my application to "repair," that then they could grant the request.

The WITNESS (Mr. Haskins). I would like to interpolate that the $53,000 of depreciation which you are discussing in the statement we have rendered of the expenses and earnings of this business is eliminated altogether. We have not added that to the expenses of the business. I want that clearly understood.

Mr. DOCKERY. You have rejected that?

The WITNESS. We have rejected that depreciation.

Mr. BRYAN. It is on the books, but has been eliminated by the expert accountant.

Mr. HEMPHILL. It has been eliminated in your account of expenses and receipts?

Mr. BRYAN. Yes, sir.

Mr. HEMPHILL. But it is in Exhibit C here [referring to statement].

Mr. BRYAN. Yes, sir; that is to bring our statement to agree with the books.

By Mr. HEMPHILL:

Q. You have put it in there to agree with the books?—A. (The witness). Yes, sir.

Q. You took that from the books?—A. Yes, sir.

Q. Now, Mr. Bryan says that this $53,000 is not included in the expenses, does not represent any of the plant which was improved in the year 1897. Now, what I want to get at is how can he apportion off this depreciation to that particular part of the plant which was not repaired in 1897?

Mr. BRYAN. In the same way that a bank takes its fixtures and writes off two or three or five thousand dollars for depreciation.

Mr. HEMPHILL. Yes; but you must remember that according to this statement now you apportioned off in 1894, 1895, and 1896 so much for depreciation. Then when it comes to 1897 you say you did not repair anything of that portion of the plant for which you had charged for depreciation.

Mr. BRYAN. The only underground plant we repaired is the two little pieces I spoke of. The other is all subject to deterioration.

By Mr. PITNEY:

Q. Mr. Haskins, those bonds were issued the 9th and 10th of June, 1894, were they?—A. $400,000; yes.

Q. And bore 5 per cent interest?—A. Yes, sir.

Q. That would be $20,000, would it?—A. Yes, sir; for one year.

Q. And two-fifths of that is how much?—A. That would be about $8,000.

Q. Now, only a little over one-half of the $8,000 was chargeable to the business of 1894, was it not?—A. Only a little over half of it.

Q. Seven-twelfths of it, or a little less?—A. Six and one-half-twelfths.

Q. But you have charged into your income account here, as per Exhibit B, the whole $200,000. Doesn't that require to be changed?—A. My recollection is that those bonds were sold with the June 1st coupon on them.

Q. June, 1894, at the price of 90, when they were on their face obligations for 102½?—A. That is my recollection of it.

Mr. BRYAN. The interest on those bonds is payable June 1 and December 1.

Q. They were not sold then with the June coupon on?

The WITNESS. No, sir; they were not.

Q. The only coupon that fell due in the year would amount to $4,000 on the Washington proportion?

Mr. BRYAN. That would be right. They were sold before the panic.

Mr. HEMPHILL. I had some questions on that that I would like for the expert to look into. I would like him to see where this $127,000 comes from.

Mr. PITNEY. Let him be prepared to report the facts in full.

By Mr. DOCKERY:

Q. Do I understand, Mr. Haskins, that the total capital stock of the plant representing the plant in this District is $750,000?—A. Yes, sir.

Q. The actual amount expended for construction is $477,580.94?—A. From August 1, 1883, up to date?

Q. Yes. So that of the capital stock outstanding $272,419.06 is not represented by any actual cash percentage. Is that correct?—A. That is correct; yes, sir.

Q. Now, then, of the cash which has been contributed, as I understand this statement, $215,146.01 comes from the earnings?—A. Yes, sir.

Q. So, adding the stock not represented by cash to the earnings which have been diverted to construction, makes a total of the capital amounting to $487,565.07 not contributed by the stockholders in any direct way—that is, $215,000 comes from the earnings and $272,000, in round numbers, is not represented by cash?

Mr. WILSON. No; but it is represented by the franchises and the licenses, the right to use the telephone. The only question is, what is that worth?

Q. What that privilege would be worth?

Mr. WILSON. That is the question. That is what my brother Hemphill calls water.

Q. So the result, as I understand it, is that the only cash contributed by the stockholders directly, as shown by this statement, is $77,234.93?—A. That is all, except the actual construction which was done prior—$91,000—that is represented by actual cash, making $168,400.

Q. Of the $477,000?—A. No, sir.

By Mr. PITNEY:

Q. You see they take from the old company a plant which Mr. Haskins finds cost $91,000, about, and they have built that up since, and they took the net cash assets, amounting to $77,000, and they have built that up since to $477,000 plus $91,000.—A. Here is the account. The $750,000 was issued for this consideration, and $77,000 cash assets, and then cash construction which was done prior to August 1, 1894, was $91,000; so that is $168,000.

By Mr. DOCKERY:

Q. The other is represented by franchises and by earnings and by bonds issued?—A. Yes, sir; here is what the $477,000 was contributed by—$477,000 and the bonds, the amount out of earnings.

Mr. DOCKERY. The books of the company do not show any payment on account of the privilege for doing business in the District of Columbia?

A. No, sir.

By Mr. HEMPHILL:

Q. On page 217, Exhibit E, I find that two-fifths of the bonds applicable to the District of Columbia expended in construction amounts

to $149,000, and from Exhibit G, page 219 of the Hearings, I find the amount distributed out of the proceeds of the sale of the two sets of bonds was $185,200. There seems to be a considerable discrepancy there?—A. Those bonds were issued—the $100,000 of bonds were issued—December 23, 1897.

Q. But still you see the whole $500,000 is included in that statement contained in Exhibit E?—A. Yes, sir; two-fifths of $373,000—that is a little different item. We have deducted the bonds in the sinking fund there, you see, and that makes $373,000. Then we have applied two-fifths of those to the Washington plant, of the balance outstanding. We have applied here—sources from which money for construction was obtained—we have applied the entire proceeds of the bonds, not deducting the amount that has been retired for sinking fund.

Q. Now, on page 217, you estimate the cost of franchises, licenses, rights of way, etc., as $308,462.85?—A. Yes, sir.

Q. Then on page 220, Exhibit H, the franchises, licenses, etc., are put down at $581,534.86?—A. One is actual cost of the investment as above, $590,000. We have deducted that from the total capital outstanding, deducting again the bonds in the treasury, you see, leaving the balance as the cost of the franchises, rights of way, etc., $308,000. The Exhibit H represents the consideration for which $750,000 of stock was originally issued.

Q. As I understand it, the franchises, licenses, rights of way, etc., originally cost five hundred and eighty-one and odd thousand dollars, did they?—A. Yes, sir; that is correct.

Q. Now they are charged up at the present price as $308,462.65. Is that the idea?—A. Yes, sir.

Q. Then the difference between those two items is what has been put into the plant, is it, in the actual construction of plant?—A. Yes, sir; that is right. We are trying to account for the outstanding stock in one case, and we are trying to account for the amount that has actually been expended in the other case; and if you take the actual cost, the cash cost of investment, it is $590,000, and you deduct that from the capital outstanding and leave the balance—which you call franchises, licenses, and rights of way, if you please—$308,000. That is present value.

Q. Or you can call it most anything else just as well? It is not represented by anything, really?—A. It is represented by the power to do business in the District of Columbia, as I understand it.

Q. That is, as you understand it. Now, then, according to that, this privilege or franchise, etc., in 1883 was worth $581,000, but now it is only worth $308,000, although the business was only 40 per cent then of what it is now, according to Mr. Bryan's statement made some time ago. Is that about the way it figures out?—A. You do not want to misunderstand these two statements. They are made to answer different questions. Exhibit H represents the consideration for which the $750,000 of capital stock was originally issued, and it shows that there was so much cash assets, so much cost of actual plant constructed prior to the date of the new company, $91,000, and it shows that the balance of that stock was issued for franchise, rights of way, etc., $581,000.

Q. That is practically a forced balance there, is it not?—A. Yes, sir.

Q. Now, then, this other exhibit is what?—A. That is the actual cost of construction to December 31, 1897, which shows that the actual cost at that date, including this $91,000 which was done prior to

August 1, 1883, was $532,000. You add that to the amount expended by the Chesapeake and Potomac Telephone Company and for real estate, and it makes a total construction expenses at Washington to date $568,000. We add to that an average for monthly balance cash required to conduct the business, and a certain amount of material and supplies, which we arrive at from an average, $22,000, which makes the total investment, not including any charges for franchise, rights of way, etc., $590,000. That is the amount actually expended in the plant in order to operate and do business, and that is without including anything for franchises, licenses, rights of way, etc. We wanted to show by this statement the amount of capital that this represented, and so we find that there was $750,000 of capital stock outstanding and $149,000 of bonds outstanding, and attributable to the Washington plant, making a total capital outstanding of $889,000. We deduct the actual cost of the investment from that in order to arrive at the amount which could be represented by franchise—$308,000. But we do not say that is the value of it, because we have not taken into consideration in this statement a large surplus account which stands there. We are arriving here at just actual cash in this business in order to do business.

Q. In that $590,737.15, which represents the actual investment, as I understand you, up to this date, is included a large amount of surplus which has been earned in previous years and put into the plant, is it not?—A. Yes, sir.

Q. Then, of course, that surplus, added to the original actual outlay, deducted from the capitalization—from the bonds and stock which are out—gives you a balance of $308,000?—A. Yes, sir; but not of surplus——

Q. But the surplus put into this?—A. Yes, sir.

Q. That is the way I understand it. So that practically, then, this $581,000, which represented originally the value of franchises, good will, etc., has been reduced to $308,000 at the present time by the investing of the surplus in the actual plant?

Mr. DOCKERY. Good will is not worth as much now as it was.

A. And it has not actually been reduced. It has grown up. It has simply been reduced in these two statements. It has not been actually reduced; but the value of the plant has been increased, and therefore we have considered, in order to make our statements balance, that what we could not account for in actual cash invested was franchise or right of way.

Q. That is what I say. Whatever you do not find of money there, you charge up to good will or franchises?—A. Yes, sir.

Q. And that has been lessened; the water, in other words, has been squeezed out by putting actual surplus earnings into the plant. Is that it? I do not mean to commit you.—A. No, sir; I do not want to be committed. But the statement shows for itself that the value of the good will has been reduced on these two statements.

Q. By the actual investment of surplus? Now, you have given us on page 220 actual surplus for seven years, amounting to $248,226.—A. Yes, sir.

Q. Have you any statement of the surplus of the other seven years during which this company has been in existence?—A. No, sir.

Q. You have no means of knowing what that is, have you?—A. No, sir. There were some years in which the division was not made.

Q. I see on page 219, in Exhibit E, it says here that the $400,000 of bonds netted $360,000.—A. Yes, sir.

Q. And that the discount of $40,000 was charged to the surplus account. If the company paid that discount itself, ought not those bonds to be charged up as $400,000 instead of $360,000?—A. The liability stands at $400,000 on the books.

Q. Yes; that is what I say. It seems to me that while the company actually received $360,000 in cash, the company itself has paid that deficiency out of its surplus.—A. Yes, sir.

Mr. BINGHAM. And carried the bonds at par?

Mr. HEMPHILL. Yes. But the bonds are not carried at par here, because they are simply carried at $360,000 instead of $400,000.

Mr. BINGHAM. But they charged the discount against them.

The WITNESS. That does not show that that amount of money was charged to construction account. That is the sources from whence the money expended for construction was obtained, and we only obtained $360,000 of that, and therefore we could only apply two-fifths of the $360,000 to the District of Columbia. The position you want to make, as I assume, is if the discount on bonds sold for construction purposes is a proper charge against construction.

Q. It is, in one sense, but what I mean to say is this: That this $40,000 ought to be accounted for in some way, because it is not simply as though the company sold $360,000 of that $400,000 for cash, because they had really gotten $400,000 from the bonds and from surplus altogether. In other words, they have made up their deficiency of $40,000 from the surplus fund, have they not?—A. They have to do that. They have to earn it or borrow it, and if they can only sell bonds at 90——

Q. Yes; and according to this they already had that on hand.—A. That is true. It earned enough to pay that discount on the bonds.

Q. Do you know whether that $40,000 is charged up against the company in any other place?—A. No, sir; it is only charged in the surplus account.

Q. It does appear in the surplus account?—A. Yes, sir.

Q. I think there is nothing further that I want to ask.

Mr. WILSON. I would like Mr. Hemphill to tell me what you claim is water in this?

Mr. HEMPHILL. Well, I will give it to you in a moment. I think there is about $891,534.86 of water.

Mr. WILSON. How do you make that out?

Mr. HEMPHILL. I take $168,465.14 as being composed of two items. The first was the original plant which this company purchased, and then the amount that they received in cash from the stock issued, and deduct that from the two-fifths of the total capitalization, which leaves a balance of eight hundred and ninety thousand and odd dollars.

Mr. WILSON. In other words, you only count the money actually expended, and everything above that is water?—A. Yes, sir.

Mr. WILSON. Now I understand you.

Mr. HEMPHILL. I thought you would agree on that.

Mr. WILSON. I did not know whether you would admit it or not. I see you do.

Thereupon, at 3.17 o'clock, the committee adjourned until to-morrow, April 27, 1898, at 10 o'clock a. m.

WEDNESDAY, *April 27, 1898.*

The committee this day met; Hon. Mahlon Pitney, acting chairman.

TESTIMONY OF C. W. HASKINS—Continued.

Mr. PITNEY. Mr. Bryan, I understand from Judge Wilson you have brought here a copy of your latest annual statement?

Mr. BRYAN. Yes, sir.

Mr. PITNEY. Have you any copies of any of the other annual statements?

Mr. BRYAN. I have none, because it would require a very considerable time to copy, as it is a pretty considerable document taken by and large.

Mr. PITNEY. I see; and possibly has considerable information of value. I think we had better have a copy of the annual report for each year, and if you will make that at your earliest practical moment and have copies ready for printing and send same to us with a letter of transmittal, stating just what they are, we will be obliged.

Mr. BRYAN. Yes. Yes; then you do not want this to-day? It is not signed; it is simply a carbon copy of the report as I made it.

Mr. PITNEY. So I see; at least apparently so.

Mr. BRYAN. It is so.

Mr. PITNEY. I did not know, however, but a new copy had been made for our purposes and handed to you.

Mr. BRYAN. This is a carbon copy of the original report.

Mr. PITNEY. That you happened to have ready?

Mr. BRYAN. That was ready; and in explanation I would say that the practice of making a carbon copy of everything, in addition to having the letter put in the copy-press book, was only started about a year and a half ago, and therefore we happen to have carbons of everything we have sent out in the way of correspondence and reports since that time; but previous to that time we made no copy except what appeared in the press book. That is how I came to have this.

Mr. WILSON. Do you want, in connection with the report, the detailed exhibits?

Mr. PITNEY. Yes; we want the entire copy of the annual report, including the details of the work of the year and a copy of the balance sheet.

Mr. BRYAN. It is all here for this one. You might look at it for a moment, and if there is anything lacking in this I would like to know so as to have the others complete.

Mr. PITNEY. If this is an exact copy of the annual report——

Mr. BRYAN. It is, as submitted.

Mr. PITNEY. Whether the annual report included something else is another question we can not determine until we look at the annual report.

Mr. BRYAN. This is just my annual report and submits the report of the superintendent of construction.

Mr. HASKINS. May I make a correction in the report rendered?

Mr. PITNEY. In your report?

Mr. HASKINS. Yes; it is a typographical error.

Mr. PITNEY. Refer to the page of print?

Mr. HASKINS. It is found on page 219 as printed. The date of issue of the 400,000 bonds should read June 9 and 10, 1891, instead of 1894.

Mr. PITNEY. That is the correct date?

Mr. HASKINS. Eighteen hundred and ninety one is correct. I would

also like to correct my testimony of yesterday in this respect. I stated that all the bonds that had been purchased for the sinking fund were in the hands of the sinking-fund trustees. There are $126,000 in the hands of the sinking-fund trustees and $1,000 in the treasury which have not yet been turned over to them.

Mr. PITNEY. Mr. Haskins, you have here the first ledger of the Chesapeake and Potomac Telephone Company?

Mr. HASKINS. Yes, sir.

Mr. PITNEY. Just bring it up here.

Mr. WILSON. You asked for a statement in relation to the sinking fund yesterday?

Mr. PITNEY. Yes.

Mr. WILSON. Here it is, if you want it.

Mr. PITNEY. Let us see it, please. Mr. Bryan, we have here the first ledger of the Chesapeake and Potomac Telephone Company and the first journal of that company, and I find on page 25 of that ledger and on page 2 of that journal the opening of the capital-stock account of the new company. Is there any objection to putting a copy of that journal page into our record here?

Mr. BRYAN. If the general public is interested in that and you demand it should be done I can not object, but I do not see that interests the general public at all or has to do with this question, and I should therefore prefer, unless the committee insists upon it, that all the transactions of the company be not aired before the public generally, as it seems to me it will not serve any good purpose, and is always and must of necessity be an injury to the business so exposed.

Mr. PITNEY. Of course, Mr. Bryan, there is no motive on the part of this committee to air the matter before the public. We are not conducting this examination for the purpose of airing anything, except so far as necessary for the protection of the public interests. We want some information to go into the record with regard to this capital-stock account. We have already had some, and we may have more before we finish, and no examination or anything concerning these figures will be intelligible at all in the printed form unless the page to which the inquiry is directed shall be copied into the record, and also let me remind you that you are here as public servants in the District of Columbia, or you have no legal status at all.

Mr. BRYAN. Precisely.

Mr. PITNEY (continuing). And there is no other authority of which I know that has the right to investigate your proceedings on behalf of the public except Congress, and Congress is doing it through this committee. We do not want to unduly embarrass you at all, but inasmuch as you are not subject to any competition at all, I do not know how any disclosure of any of your affairs to the public will hurt you in any way.

Mr. BRYAN. The statement I made in my letter addressed to the chairman of this committee was made with the full understanding on my part, and of my counsel, of the resolution under which this committee is acting, and I did not find, I have never found, in that resolution anything to cover a matter of this kind.

The committee was asked to investigate and report, and in its report it can put anything it pleases as to facts, but as to spreading all the records of the company in extenso in its printed book that is being gotten up relating to this investigation I should take it that there is no good purpose to be subserved. Of course my judgment has to yield to the judgment of the committee in a matter of that kind, but in the resolution there is nothing that will cover this, and in my letter submitting

the books and records of the company I intended the committee should have all the information it wanted or we could furnish for its purposes, but not for the purposes of spreading it broadcast through the country.

Mr. PITNEY. The resolution under which this committee is acting authorizes and empowers us to investigate certain public charges as to telephone service in the District of Columbia and all facts connected therewith; to send for persons and papers, and particularly to procure such information which, in their judgment, is necessary and proper to determine what ought to be fair and sufficient rates for furnishing telephone service in the District of Columbia, and what ought to be fair and reasonable use of telephones by the persons and corporations renting telephones and those associated with them in business and otherwise. Now, what ought to be fair and reasonable rates depends largely upon the cost of the service of those who are furnishing it to the public, and one item of the cost of the service is cost of the plant which is necessary to furnish the service, and that is represented to a certain extent in the capital stock account. It seems to me that is directly the point at issue.

Mr. BRYAN. The information was supposed to be given to the committee, but if it is necessary in the opinion of the committee that this be printed and set forth to every one of our competitors in business and others, that will have to be done, I presume. I have certainly withheld nothing from the committee or intended to do so, but I stand in the same position that every other business man or corporation manager in the United States or any other country as failing to see what good purpose could be subserved by spreading before the public generally all of the transactions of the business of the company that I am now managing. I would do it, but I would not be compelled to do it if I was doing business as an individual.

Mr. PITNEY. If you were not engaged in a public business and had the enjoyment of a public franchise and subject to the duty of serving the public you would not be subject to investigation?

Mr. BRYAN. If I could ascertain by any process of inquiry that this had the slightest relation to the question—that is, the matter of spreading this thing in extenso on the record here, I will be very glad to give my hearty acquiescence to the action you propose, but I do not see it, and if it is done it is simply done for some purpose that is totally inexplicable to me and past finding out.

Mr. BINGHAM. Suppose we talk this question over in committee?

Mr. PITNEY. The committee may desire to confer about that. There is no use in attempting to conduct an examination about it unless it is a part of the record.

Mr. BRYAN. Judge Wilson thinks that my statement just made may be susceptible of misunderstanding; that it may be thought to evince an inclination on my part to conceal something; so I waive that entirely if that is the case, inasmuch——

Mr. PITNEY. I am not putting that construction upon it. There is only one motive on the part of the committee, and that is to ascertain the facts so far as necessary for the purpose of their duty to the public.

Mr. BRYAN. We are aiding them in every direction we can on that line.

Mr. BINGHAM. Then you withdraw your objection?

Mr. BRYAN. On the suggestion of my counsel, I withdraw the whole objection.

Mr. HASKINS. Mr. Chairman, you asked yesterday for a statement of the amount that had been expended for rights of way and franchises prior to the organization of this company. In order to make this clear to you, I bring it in at this point, if you please.

NATIONAL CAPITAL TELEPHONE COMPANY.

On December 1, 1879, there was $200,000 of capital stock issued by this company for the franchises, good will, rights of way, and property of the National Telephone Exchange, and the amount, $200,000, was charged to "franchises, good will, and property of the National Telephone Exchange." Property as follows:

Number of stations	420
Number of telephones in use	421
Number of transmitters in use	362
Total amount of wire in use ... miles	150

NOTE.—Nearly the whole length of lines was on buildings.

This ledger has not been closed and the account still stands open on the old book, but a new ledger was started April 1, 1881, and on August 1, 1881, there is posted in same to—

"Good will and franchises" from folio "3"		$143,793.91	
The following debits and credits are also posted:			
Aug. 25, 1881, S. C., folio 3		700.43	
25, 1881, P. & L., folio 16		150.32	
27, 1881, P. & L., folio 17			$80.00
31, 1881, S. G. B. O., folio 19		17.31	
31, 1881, T. R., folio 20		546.50	
31, 1881, Subs., folio 22		87.20	
31, 1881, Subs., folio 22			20.20
Sept. 10, 1881, A. S. P. & Son, folio 25		12.50	
29, 1881, Subs., folio 34		11.28	
29, 1881, Subs. cred., folio 33			16.42
29, 1881, Subs. cred., folio 34			10.45
Oct. 20, 1881, S. C., folio 41			9.17
Nov. 1, 1881, B. F. S., folio 49			23.00
26, 1881, C. S., folio 63		30,000.00	
		175,319.45	159.24
December 1, 1881, balance		175,160.21	

The subscription book to which these postings refer can not be found.

The above account was closed and carried forward into a new ledger as $425,160.21. The difference between the two amounts, $250,000, was for licenses purchased by the issue of $250,000 of capital stock, as per resolution of the board of directors of April 2, 1883.

Mr. HASKINS. This statement which we rendered starts with this company, the Chesapeake and Potomac Telephone Company, with the issue of $750,000 shares of stock, and shows what that stock was issued for. That stock was issued for the plant and the accounts and the franchises which were owned by the National Capital Telephone Company. The predecessor of this company, the National Capital Telephone Company, was started on December 1, 1879, with a capital stock of $200,000, and they issued that on the franchises, good will, rights of way, and property of the National Telephone Exchange which was not an incorporation but a partnership, and the amount of $200,000 was charged on the books of the National Capital Telephone Company for franchises, good will, and property of the National Telephone Exchange.

The property which they owned at that time was as follows: Number of stations, 420; number of telephones in use, 421; number of transmitters in use, 362; total amount of wire in use, 150 miles. Nearly the whole length of lines was on buildings. Now, this ledger has not been closed, and the account still stands open upon the old book; but a new ledger was started April 1, 1881, and on August 1, 1881, there is posted in same to "good will and franchises" from folio 3, $143,793.91. It is less than the amount at the opening of the book, $200,000, the balance of it, probably, being charged to plant or to some other account. We have not the journal, so we are not able to determine as to what the other balance was charged to. There are certain items charged to that, making a total on December 1, 1881, of $175,160.21.

By Mr. PITNEY:

Q. Of what?—A. Of total charge to "good will and franchises," including the original $143,000. Now, that account was closed and carried forward in the new ledger as $425,160.21. The difference between these two amounts, $250,000, was for licenses purchased by the issue of $250,000 of capital stock, as per resolution of the board of directors of April 2, 1883, and by agreement——

Q. Agreement between whom?—A. The agreement as set forth—I have not got the agreement.

Q. Do you know to whom that $250,000 worth of stock was issued?—A. I do not remember the name; but it is somebody in Connecticut—the franchise was owned by somebody in Connecticut.

Q. Have you finished your statement?—A. Yes, sir. I only wanted to connect that amount of $429,160.21, as the amount we show——

Q. In Exhibit H, page 220? Now, let me see the written statement. This is the written statement from which you have just made your explanation?—A. Yes, sir.

Q. When was this made up?—A. Last night.

Q. Made up from the books of the National Capital Telephone Company?—A. Yes, sir.

Q. Then from this it appears that the first concern in Washington so far as now represented in the Chesapeake and Potomac Company was a partnership known as the National Telephone Exchange, which was organized on December 1, 1879?—A. No, sir; that was organized prior to that; that is, the partnership was.

Q. And it was organized prior to December 1, 1879, and, presumably, was in operation at that time?—A. Yes, sir.

Q. And then, on December 1, 1879, a company known as the National Capital Telephone Company was organized, with a capital stock of $200,000, all of which was charged up in lump for the purchase of the franchises, good will, and property of the National Telephone Exchange?—A. Yes, sir.

Q. And the property, so far as it appears, was, telephones in use 421—does it appear that these telephones were the property of the National Telephone Exchange? Were they not rented?—A. I do not know, sir. I have no record.

Q. They had 420 stations, subscribers?—A. Yes, sir.

Q. What property connected with these stations was owned by the old partnership you do not know?—A. I do not know.

Q. They had 362 transmitters in use; those were presumably the property of the National Bell Telephone Company?—A. I should say so.

Q. And the telephones also?—A. I am not certain as to that. Perhaps Mr. Bryan can explain that.

Mr. BRYAN. I was not here at that time and I do not know what custom was in use.

Q. Have you examined the licenses, agreements, etc., you have submitted to us?

Mr. BRYAN. I have gone over them; yes.

Q. That shows these telephones and transmitters to be the property of the National Bell Telephone Company at this period of December 1, 1879, if I am not mistaken?

Mr. BRYAN. As to that I can answer. They were not the property of the local company, but the property of the parent company.

Q. So that the actual property owned by the National Telephone Exchange and turned over by it to the National Capital Telephone

Company seems to have been limited to 150 miles of wire and such appurtenances, poles, fixtures as were necessary for the operation of the central station and 420 subscribers, not including the telephones and transmitters. That seems to be so?

The WITNESS. Yes, sir.

Q. Now, it is very manifest from that statement that the property bore only a slight proportionate relation to the capitalization of $200,000, and the bulk of the $200,000 must have been charged against franchises and good will.—A. I should say the bulk of it was, as shown below.

Q. Is there anything in the books of the National Capital Telephone Company or the National Telephone Exchange to show what, if anything, has been paid to either of those companies for franchises and good will, or whether anything has been paid?—A. Nothing more than shown by that statement there.

Q. Well, now, comparing December 1, 1879, with August 1, 1881, at the former period they carried the franchises, good will, and property taken over from the National Telephone Exchange at $200,000?—A. Yes, sir.

Q. At the latter period, namely, August 1, 1881, they carried it at $143,793.91. Is it your deduction from that in the meantime the difference, namely, fifty-six thousand two hundred and odd dollars, had been invested in the way of capitalized earnings?—A. No, sir; in the interim they did a certain amount of construction work.

Q. That is what I meant by——. A. Yes, sir; and they charged that to construction, and they seemed to have divided that original $200,000, leaving $143,000 as a charge against franchises, good will, and right of way.

Q. In other words, to use the phraseology of Mr. Hemphill, they squeezed the water out of it to that extent by making an actual investment in construction and reducing the supposed water from $200,000 to $143,793.91. Now, what is there that took place between the 1st of August, 1881, and the 1st of December, 1881, to increase the cost of good will and franchises from $143,793.91 up to $175,160.21?—A. There were certain items appearing in the statement, but of which we were not able to get the details.

Q. There is one lump sum given, namely, "November 26, 1881, C. S. folio 63, $30,000." What was that?—A. I assume that was increase of capital stock.

Q. "C. S.," capital stock?—A. That was the amount which was paid to Mr. H. D. Cook, I believe, for some special contracts and arrangements which he had in certain parts of the District of Columbia under certain agreements.

Q. You mean Mr. H. D. Cook turned into the National Capital Company certain rights and franchises not included in the original organization, and in exchange for that he received $30,000 of stock?—A. Yes, sir.

Mr. BINGHAM. Was that in the nature of a fee?

A. No, sir; it was a payment in stock to him for certain assets which he had to turn over to this company.

By Mr. PITNEY:

Q. How do you know that was it?—A. We had the agreement, memorandum, or something, there which explained it to us. Oh, yes; it was the resolution issuing the stock.

Q. You found a resolution in the minute book providing for that issue of stock to Mr. H. D. Cook?—A. Yes, sir.

Q. Mr. H. D. Cook was one of the original organizers of the National Telephone Exchange?—A. That I do not know.

Q. How about that, Mr. Bryan?

Mr. BRYAN. I know he was interested at a later date, but whether his connection goes back to its origin I am not able to say.

Q. Some light is thrown upon that by the franchise agreement?

Mr. BRYAN. Yes, sir; I think the whole history is there.

Q. From December 1, 1881, the balance of $175,160.21 on that day was carried forward in the new ledger as being $425,160.21, and the difference, of exactly $250,000, which you found was for licenses purchased by the issue of $250,000 of capital stock, as per resolution of the board of directors of April 2, 1883?

The WITNESS. Yes, sir.

Q. Then, if I understand you, so far as the books of the National Capital Telephone Company go, there is nothing that increases the cash outlay or cash subscriptions for stock, cash payment for the capital stock, except the difference between $175,160.21 and $230,000—$200,000 plus $30,000 to Mr. Cook. That was the stock that was issued, and it was all issued for good will and franchises, or rather $175,160.21 was issued for good will and franchises?—A. Well, it would be intimated so from the book there.

Mr. PITNEY (to the stenographer). Now, at this point you will please embody in the notes a copy of page 2 of the original journal of the Chesapeake and Potomac Telephone Company, and pages 10, 11, and 25 from the general ledger.

[Page 2, journal.]

WASHINGTON, D. C., *August 1st, 1883.*

The below entries to open the books of the Chesapeake and Potomac Telephone Company are made by order of President Morris F. Tyler, as per his letter to Warren Choate, sec'y, under date October 11, 1883.

Sundries	*to*	*Sundries.*
ASSETS.		
2. Acc'ts receivable, from Balto. and Wash'n books	$26,087.78	
3. Cash, from books	81,338.16	
11. Plant, from books	2,648,491.34	
11. National Fair Ass'n stock, one share from Wash'n books	100.00	
15. Supplies, from Wash'n books	3,618.24	
17. Supplies, from Balto. books	3,680.68	
17. Office furniture, from Balto. books	324.30	
19. Tools, from Balto. books	276.98	
LIABILITIES.		
21. From Balto. and Wash'n books, advance rentals		$25,091.76
2. From Wash'n books, acc'ts payable		26,980.23
23. From Wash'n books, profit and loss		60,842.61
21. From Balto. books, employees		1,002.83
25. For purchase of Wash'n Ex., capital stock		750,000.00
25. For purchase of Balto. Ex., capital stock		1,900,000.00
	2,763,917.43	2,763,917.43

[Page 10, general ledger.]

Licenses and rights of way.

1884.				1886.			
Nov. 30	To plant	180	$692,600.00	Jan. 1	By balance to new ledger, fo	4	$692,787.50
July 31	To sundries	134	31.25				
Oct. 31	To sundries	167	31.25				
1885.							
Jan. 31	To sundries	205	125.00				

Licenses and right of way—Continued.

[Page 11, general ledger.]

Plant.

1883. Aug. 1	To sundries	2	$2,648,491.34	1883. Oct. 31	By cash	21	$24,546.67
1884. Apr. 30	To sundries	88	31.25	1884. Jan. 1	By profit and loss, old	77	53,343.61
					By balance down	....	2,570,632.31
			2,648,522.59				2,648,522.59
July 1	To balance down	.....	2,570,632.31	1884. Nov. 30	By licenses and rights of way	180	692,600.00
31	To sundries	134	.....	1886. Jan. 1	By balance to new ledger, fo	4	1,878,032.31
Oct. 31	To sundries	167	.....				
			2,570,632.31				2,570,632.31

[Page 25, general ledger.]

Capital stock.

1886. Jan. 1	To balance to new ledger, folio 5	.....	$2,650,000	1886. Aug. 1	By sundries	2	$2,650,000

By Mr. PITNEY:

Q. Mr. Haskins, will you be kind enough to come here, as I want to ask a few questions about opening the new books of the company. Page 2 of the journal shows the opening of the books of the Chesapeake and Potomac Company, does it not?—A. Yes, sir.

Q. It shows that the entries were made for the purpose of opening the books by order of the president as per his letter to the secretary under date of October 11, 1883?—A. Yes, sir.

Q. Were any books opened before that time?—A. No, sir.

Q. Page 2 gives the statement of assets and liabilities and the balance, of course. Did you investigate the items of accounts receivable, cash, supplies, office furniture, and tools?—A. No, sir.

Q. You took this statement as being correct for the basis of your examination?—A. No, sir; I did not. I took the balance sheet of the old company, for which you see the $750,000 capital stock which was issued here against the Washington plant was paid to the stockholders of the National Capital Telephone Company for their plant, and I ignored these entries here, but took the balance sheet of the National Capital Telephone Company for which this $750,000 of capital stock was issued.

Q. I see; you ignored the entries of page 2 of the journal for the purpose of your investigation because they included both the Washington and the Maryland plants?—A. Yes, sir.

Q. And you went to the books of the old Washington company as your original source of information, as your commencement of the investigation of this company?—A. That is correct.

Q. Now, those items of accounts receivable, cash, National Fair Association stock, supplies, office furniture, and tools, purport to be entries exactly in accordance with the facts in each case?—A. Yes, sir; I should assume they were.

Q. And on the other side the liabilities, advance rentals, accounts payable, purport to be the actual—— A. Condition of accounts at the time.

Q. Now, the other items here do not bear that impression, do they? Take the item of "plant," included among the assets, where they have the sum of $2,648,491.34. That is put in at an agreed amount, which will simply force a balance between the other items and the agreed capitalization, is it not?—A. It is the balance between the actual assets they have on hand and the capital stock issued.

Q. And a forced balance, of course.

Mr. BRYAN. I do not like that term "forced balance." I think that is hardly a proper term to apply to anything of that kind. I think anything done by agreement is hardly a forced balance. If there is any foundation for the agreement and its results, I think that the term "forced balance" is apt to be misleading and to carry with it a certain inference of blame, because forced balances are not proper in any business, and I do not think that can be properly termed a forced balance.

Q. It seems to me it is manifestly a forced balance, and I think Mr. Haskins has already stated it indicated the Washington end of the enterprise.

The WITNESS. I admitted that the accounts as stated represented the Washington plant. You use the term "forced balance;" it is a balance, of course, put in there, and in that connection I did not mean to reflect——

Q. When in order to make a balance with the capital stock you are obliged to put down franchises, licenses, rights of way, etc., which are valued in the old company's books at $425,160.21 at a new sum of $581,534.86, that is a forced balance, is it not?—A. It is a balance; I do not know——

By Mr. DOCKERY:

Q. Have you not given an arbitrary value to that franchise in order to make the balance?—A. Yes, sir; that is true.

Q. And therefore does it not logically, and as a matter of fact, follow that it is a forced balance?—A. Of course. As an accountant I naturally object to the term, "forced balance," as it is generally considered something that is forced, which is improper.

By Mr. PITNEY:

Q. What is opprobrious about the term?—A. Its accepted use that, when a balance is forced, it means you have tried to arrive at a result that is improper.

Q. Mr. Bryan, is there any question in the world that this amount of $2,648,491.34, under the title of "plant," was put in there at that amount in order to force a balance?

Mr. BRYAN. There was no forced balance that I have ever discovered in that transaction.

Mr. PITNEY. Have you looked for it?

Mr. BRYAN. I have.

Mr. PITNEY. Where have you looked?

Mr. BRYAN. If it is a matter of agreement whether you put that in there as a fixed sum for the purpose of making up, as you state, the capital stock, or whether it is fixed at a sum and is paid for in cash, it does not make a bit of difference.

Mr. PITNEY. It makes a difference that in one case you could have about $2,500,000 of money in the treasury, and nothing there but wind in the other case.

Mr. BRYAN. Could you at that time, or can you at the start of any enterprise of this kind which has not yet sufficiently commended itself to public favor to meet with general recognition—can you put the stock on the market and sell it at par?

Mr. PITNEY. Not if it is watered, but——

Mr. BRYAN (continuing). Is it not, as a matter of fact, in order to encourage investments of capital in every new enterprise that is yet absolutely untried that you have to put the stock on the market at anywhere from 10 to 25 cents on the dollar?

Mr. PITNEY. There is no use of you and myself bandying words. If that is true, that is all I want to know—if you put it on the market at from 10 to 25 cents on the dollar.

Mr. BRYAN. We did not. I say it is the custom in putting stock on the market which is untried. You have to put it on the market on such terms as will commend it to public favor and the recognition of business men, and there is nothing yet untried that can be put on the market at par.

Mr. DOCKERY. I want a word right there.

Mr. BRYAN. I still hold to my objection that the term "forced balance" is misleading.

By Mr. DOCKERY:

Q. But it does not necessarily mean a fraudulent balance. But if I understand the use of the phrase in this connection, it is simply this, that in the adjustment of debits and credits and assets and liabilities it was necessary to give a certain arbitrary valuation to franchises and privileges in order to effect a balance, which valuation may or may not be a correct valuation.

The WITNESS. That is a correct statement.

Q. It may not have been a correct valuation. In this case there is a shifting of the value of the stock. There seems to have been a varying opinion about its value. At one time it is $581,000 and later on it gets down to $272,000 and something, but it does not imply, as I understand, any fraud or anything of that kind.

By Mr. PITNEY:

Q. Mr. Haskins, does the list of assets on page 2 of the journal give any valuation for franchises, good will, etc., under that name?—A. No, sir; it does not.

Q. And if they are figured they must be figured in under the head of the plant item?—A. That is right.

Q. Now, the entry of the plant here refers to page 11 of the ledger, does it?—A. Yes, sir.

Q. And page 11 of the ledger opens with the entry of "August 1, 1893, to sundries, $2,648,491.34." That is right, is it not?—A. Yes, sir.

Q. What were the sundries, and where were they shown in the books?—A. Those are the sundries on the journal here. Where there were various credits to make one debit they put down "sundries," and they are credited to advance rentals, accounts payable, profit and loss, amount due employees, and capital stock.

Q. Then the entry on page 11 of the ledger, "sundries, $2,648,491.34," charged to plant, did not represent sundry items of plant, did it?—A. It is supposed to represent the value of the entire plant of the company.

Q. Supposed to represent; but when you examine to find the sundries the books do not show—— —A. The details? No, sir; they do not.

Q. And upon your own statement, just made, that amount was entered there in order that it should balance the liabilities on page 2 of the journal. Is not that right?—A. It is the amount which was agreed upon at that time to represent the value of that plant, which would balance the obligations and the assets.

Q. The *principal obligations*, as appearing upon the books, are th

capital stock?—A. Yes, sir; represented, principally, by the issue of capital stock.

Q. Then the sum and substance of what you say, it is the $2,648,491.35 was the agreed amount entered in order to cause the assets and liabilities on page 2 to balance. Is that right?—A. It was the agreed amount.

Mr. WILSON. What did that represent?

Mr. HASKINS. The capital stock issued.

Mr. PITNEY. That is exactly what we have been asking about, and what Mr. Bryan has objected to our asking about.

Mr. WILSON. Not at all. I quite concur with Mr. Bryan that it is not fair—I do not mean to impute to anybody any intention to do anything that is unfair—but if there is a company organized and they say, "We will organize on the basis of $2,600,000 of capital stock," now, that stock that was issued would appear on the company's books, would it not? Then, if there were some other things, and they would appear along with it, it is not a proper thing to say, as it seems to me, that this $2,600,000 is wind or water.

Mr. PITNEY. Why, bless your heart and soul, if you would be as frank as you know how to be there would be no difficulty about this. We know as well as you know that that represents no tangible property, or rather it represents some tangible property, but you do not develop how much tangible property there was and what it cost, and therefore we have talked about it as wind——

Mr. WILSON. I say it represents tangible property.

Mr. PITNEY. Then give us an inventory and a valuation of it.

Mr. WILSON. It is not wires and all that sort of thing; there is another kind of property that is worth infinitely more than that, and without which these wires, etc., are worth nothing.

Mr. PITNEY. If you are going to make an argument, let us postpone it, but if you are going to make a statement let us have it, and bring any witnesses you have got.

The WITNESS. I would like to state here that the $750,000 of capital stock, which is part of this $2,650,000 that you have discussed, is capital stock issued to the stockholders of Washington, and for what that is issued we have already rendered a statement showing the assets for what that was issued.

Thereupon the committee took a recess until 1 p. m.

AFTER RECESS.

WEDNESDAY, *April 27, 1898.*

The recess having expired, the committee reassembled, Mr. Haskins resuming the stand as a witness.

By Mr. PITNEY (acting chairman):

Q. Mr. Haskins, among the liabilities of the statement on page 2 of the journal as profit and loss account I see $60,842.61, referring to page 23 of this ledger, I presume.—A. Yes, sir.

Q. And I find that on the 1st of January, 1884, that was charged off. Is that correct?—A. Yes, sir. Taking that out of profit and loss appears on folio 77 of the journal.

Q. Please read the items appearing on the journal, page 77, showing the closing of the profit and loss account.—A. It shows a debit to profit and loss in the month of March of $60,843.61.

Q. In the month of March, 1884?—A. Yes, sir. Under the credit to plant of $53,343.61, and a credit to profit and loss of the new company of $7,500. That profit and loss is stated as an estimate for July business.

Q. I presume that means an estimate for the business ending in July, does it not?—A. I do not think so. I think that they meant to take over in the new company the July business, and they have estimated that as profit.

Q. What year?—A. July, 1883.

Q. Was the transfer of August 1, 1883, from the old company to the new company made up on the basis of the books as they stood on the 1st of June?—A. Made up on the basis of the books as they stood on the 31st of July, 1883.

Q. Then, here, would not the July profit and loss be included in those books?—A. I assume that they wanted to include in the business of the Chesapeake and Potomac Telephone Company all the business from the 1st of July, 1883, in order to make the year begin at that date.

Q. Well, now, the entries of page 77 of the journal were placed there in March, 1884, presumably, if the heading of the page is correct?—A. Yes, sir.

Q. On the ledger it is entered back as of the 1st of January, 1884.—A. It is entered in the ledger as January, 1884, which is probably an error.

Q. And the entry of the journal is "profit and loss Dr. to sundries, $60,843.61," a l on the other side of the account are these entries: "To close the plant, $53,343.61," and "to profit and loss, to estimates for July, $7,500."—A. Yes, sir.

Q. And under those is this memorandum: "The above transfers were made at the suggestion of Mr. Shirnir, with the approval of General Manager Bryan." Is that correct?—A. Yes, sir.

Q. That is a correct account of the entry, I mean?—A. Yes, sir; a correct account of the entry.

Q. Pursuant to that entry was there a new profit and loss account opened?—A. There had been already a profit and loss account entered to take up the business ending December 31, 1883, and this $7,500 was carried into that account.

Q. Representing profit or a loss?—A. A balance of profit carried over—an estimate of the July, 1883, balance.

Q. And the $53,143.61 to the old profit and loss account was charged to plant with the result of—— —A. Was credited to plant.

Q. (Continuing.) Credited to plant, with the result of reducing the apparent valuation of plant from $2,648,491.34 down to $2,570,632.31?—A. Yes, sir.

Q. The account having recently been increased by $3,125 over and above the original entry of $2,648,491.34?—A. That is correct. I will explain my understanding of that if you wish.

Q. All right; you may do so.—A. My understanding of that entry, as it appears to me, is this: That they made a certain valuation of their plant, and they issued a certain quantity of stock, as agreed upon, of the two corporations—the Maryland corporation and the District of Columbia corporation—and in establishing that valuation it made a larger asset than the liabilities of their stock; and they found afterwards the books of the new company simply carried the profit and loss made by the new companies, and they closed out the old account of profit and loss, which they carried over from the old company and

credited it to plant account; so that the books of the new company, profit and loss, represent simply the operations of this company from the 1st of July, 1883.

Q. Well, to return to the original statement—the assets and liabilities on page 2 of the journal. Among the liabilities was this profit-and-loss account of $60,842.61. That indicated accumulated profits at that time, did it?—A. Not necessarily. It indicated that the valuation which they had put upon the plant in their assets was in excess of their liabilities by that amount. They fixed these valuations——

Q. According to that supposition the profit-and-loss account—sixty thousand and odd dollars—was an arbitrary entry, was it?—A. That was an arbitrary entry; yes, sir; making these two sides balance.

Q. And the result of charging off $53,343.61 of it in January or March, 1884, was to reduce each side of the assets and liabilities—that is, reduce assets by that amount and liabilities by that amount?—A. Yes, sir.

Q. It is merely a matter of bookkeeping?—A. That is all.

Q. On page 180 of the journal, under the heading November 8, 1884, I find these entries: "Licenses and rights of way, debtor, $692,600; plant, creditor, $692,600." What did those entries mean?—A. It means, in my judgment, that they desired to divide up the plant account into an amount which represented actual plant and an amount which represented the value of the licenses and the rights of way.

Q. Is there anything on the books that shows why that exact amount was fixed upon?—A. No, sir.

Q. That, then, was an arbitrary amount—an amount fixed by agreement among themselves?—A. It says fixed by the chairman of the executive committee.

Q. The entry on page 180 of the journal, to which I have just referred, is followed by this entry: "The above transfer made by order of A. O. Morgan, chairman of the executive committee."—A. Yes, sir.

Q. Now that resulted in the opening of the account on page 10 of the ledger, under date of November 30, 1884, of the account of licenses and rights of way?—A. Yes, sir.

Q. And the reduction of the account of plant by the same amount on the same day, did it?—A. Yes, sir.

Q. Namely, the amount of $692,600?—A. Yes, sir; that is right, credited on folio 11 of the ledger.

Q. That left a balance of $1,878,032.31 as the valuation of the plant, properly so called?—A. Yes, sir.

Q. That included the plant of the District of Columbia and the plant of Maryland, I presume?—A. Yes, sir; the whole company.

Q. And that explains the statement heretofore made by you, that the items in assets on page 2 of the journal entitled "Plant, $2,648,491.34," must be supposed to have included plant and also licenses, franchises, and rights of way?—A. Yes, sir.

Q. And the subsequent transaction makes a distribution by a mode that appears to have been agreed upon without anything in the books to show why that division was agreed upon?—A. That is right.

Q. Have you analyzed the capital stock of the Chesapeake and Potomac Telephone Company any further than you have already testified?—A. No, sir; I have not gone beyond the entry on folio 2 of the journal there, which shows $750,000 of the capital stock was given.

Q. Have you made any analysis of it for the period between the 1st of August, 1883, and the 31st of December, 1897?—A. No, sir.

Q. Have you analyzed the plant account since the 1st of August,

1883?—A. No, sir; I have made no analysis of the plant account. I made a statement of the construction that was done—on the construction.

Q. Is that construction account charged up to the plant?—A. No, sir; it is carried on the books as construction.

Q. As a separate item?—A. Yes, sir.

Q. If the two accounts were to be combined, how would it be done?—A. They would credit the construction account and charge the plant.

Q. Charging off the construction account thereby, and increasing the cost of the plant?—A. Yes, sir.

Q. Have you analyzed the account of franchises, licenses, and rights of way from August 1, 1883, to the present time?—A. No, sir; I have made no analysis of that. There are a very few items which are charged in. That amonnt charged there that you found, $692,600 charged to licenses and rights of way, is not changed up to date.

Q. I wonder if you are right about that. Please look at page 10 of the ledger.—A. "$692,787.50." I can not tell without the other ledger.

Q. At any rate it was changed between the period of July, 1884, and January 1, 1885, by the addition of two items—two items of $31.25 each and one item of $125?—A. Those were taken out afterwards.

Q. Your recollection is that those were taken out afterwards in the subsequent ledger?—A. Yes, sir.

Q. How?—A. Credited to that account and charged to something else. If you will turn to folio 134 you will see what that $31.25 is.

Q. That was right of way, was it not?—A. Yes, sir.

Q. Right of way, Washington, $31.25 for the month of July, 1884?—A. It is evidently a credit made to some subscriber of $31.25 and a rebate made in consequence of right of way which is given the company. I think those were afterwards taken out of the right of way account and charged against profit and loss.

Q. That refers to the item of $31.25 charged to licenses and rights of way July 31, 1884, does it not?—A. Yes, sir.

Q. Now, on October 31, 1884, there was a similar charge of $31.25, as per page 167 of the journal?—A. That is a credit to accounts receivable, Washington, and the debit to rights of way, which would indicate that it was an allowance made for the right of way.

Q. The ledger on page 10 shows, January 31, 1885, there was a charge of sundries to plant or to licenses and rights of way, as per page 205 of the journal.—A. It is difficult to say what the $125 represented.

Q. At any rate it was charged to licenses and rights of way?—A. Probably the same nature as the others.

Q. You say that those three entries have subsequently been charged off, and that the account of licenses and rights of way stands at the same amount it did on the 30th of November, 1894, namely, $692,600?—A. That is my recollection; yes, sir.

Q. I see the first item among the assets on the balance sheet of December 31, 1887, is franchises, $692,600.—A. Yes, sir.

Q. Which proves, I presume, that if any money had been expended for licenses, franchises, or rights of way since the organization of the Chesapeake and Potomac Telephone Company it has been charged up to expenses or has been charged off in a way which amounts practically to the same thing.—A. Yes, sir; that is it. It comes out of the earnings of the company.

Q. The last balance we have for plant is on page 11 of this first ledger and amounts to $1,878,032.31. Is that correct?—A. Yes, sir.

Q. Now, I want to call your attention to the second item of assets as

shown on December 31, 1897, entitled "Construction, $2,782,976.46." Does or not that item include the plant account?—A. I believe it does. I have not got the last ledger here.

Mr. BRYAN. What was that item as read out, $2,700,000 or $3,700,000?

Mr. PITNEY. $2,782,976.41, entitled "construction."

The WITNESS. My recollection is that in making the balance sheet they had the plant and construction together simply on the balance sheet. On your books it is kept separate.

Mr. PITNEY. Mr. Birney, have you any questions you would like to ask Mr. Haskins in this connection?

Mr. BIRNEY. No, sir; I believe not. I have not had access to the books, so I am not familiar with them.

Mr. PITNEY. I am ready to stop in his examination because I want to get the other data, which Mr. Bryan is going to furnish, before continuing.

Mr. WILSON. I would like to ask the witness a few questions, if there is no objection.

Q. I would like to ask you if there is anything in these entries which have been referred to that is questionable in character, whether they are according to proper bookkeeping methods?

Mr. PITNEY. I want to suggest before the question is put that I do not see that the answer would have any value. It depends on what you mean by questionable, and what you understand by it. Still, I have no objection.

Mr. WILSON. Well, I will ask him the question, then. Are these entries made according to proper bookkeeping methods?

A. Yes, sir; they intend to represent the facts as they exist.

Mr. PITNEY. Among other things they intend to represent the facts that they agreed to put down the plant at two million six hundred and odd thousand dollars in order to make it agree with the capitalization of $2,650,000.

Mr. BRYAN. Please repeat that.

(The stenographer read the question.)

Mr. BRYAN. That is correct.

A. The value of the plant as determined on the books is in excess of the capitalization, and on that journal folio 2, in order to make both sides of the account balance, they take in and credit profits and loss, $60,842.61.

By Mr. PITNEY:

Q. The result of that is that the entry on page 2 of the journal, $2,648,491.34, and also the entry on the other side of profit and loss, $60,842.61, were agreed to be entered at those amounts in order that after proper allowance for the other items of assets and liabilities there should be a balance that would agree with the amount of the capital stock, $2,650,000?—A. I do not know how they arrived at the value of the plant. I can only take the value as stated on the books. I have no knowledge of that, or I have no knowledge as to which figures were arrived at in order to balance the account—whether profit and loss was the item which was changed in order to make the account balance, or whether the plant was——

Q. Or whether they both were?—A. Or whether they both were; I do not know.

Q. And you have not investigated the items of profit and loss or the items of plant in order to show the foundation for either of those items in the previous telephone companies which were taken by the Chesa-

peake and Potomac Telephone Company?—A. We rendered you a statement, which is one of the exhibits in our report, in which we showed for what the $750,000 of stock of the Washington company was issued, showing the amount of cash assets it did represent and the current cash construction it represented. That I dug out from the books.

Q. But you did not investigate the books in order to show the other elements that went to make up the bank account and the profit-and-loss account on page 2 of the journal?—A. That belonged, of course, a large part of it, to the Maryland plant.

Q. And that you did not—— —A. I did not investigate.

Mr. PITNEY. That is all I desire to ask this witness at the present time.

I would like to ask a few questions of Mr. Bryan.

TESTIMONY OF MR. S. M. BRYAN, PRESIDENT OF THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY—Resumed.

By Mr. PITNEY:

Q. Will you tell us what the total capitalization of the Maryland company was which went into the Chesapeake and Potomac Telephone Company?—A. I can not I do not know.

Q. Have you the books in your possession which would show that?—A. Mr. Haskins, are those books of the old Maryland company accessible? I never saw them.

Mr. HASKINS. I never saw them, and I do not think they are in the office of the company.

The WITNESS. I do not think so.

Q. Do you know how much stock the American Bell Telephone Company held in that company?—A. I do not know.

Q. Do you know how much stock the American Bell Telephone Company held in the National Capital Company?—A. I do not know.

Q. You stated to us the other day in substance, as I remember it, that at the organization of the Chesapeake and Potomac Telephone Company the Bell concern had about 28 or 38 per cent—I forget which—of the stock of the new company, and that its holdings had been subsequently increased?—A. I do not remember giving any such testimony, Mr. Chairman; I do not remember when I ever stated that it held 28 per cent or 38 per cent.

Q. I will refer you, Mr. Bryan, to your testimony as reported on page 19 of our printed Hearings, the question at the top of the page.—A. I do not think your question refers to this matter at all. If the stenographer will read the question you have just put I think I can show the distinction between the two things.

Q. We care less for distinctions than for facts.—A. But the facts in one case will not fit in the other, and I propose to show the distinction, if I am permitted to do so.

Q. Very well.—A. What paragraph do you refer to? Will the stenographer please read the question?

Q. (Read by stenographer.) You stated to us the other day, in substance, as I remember it, that at the organization of the Chesapeake and Potomac Telephone Company the Bell concern had about 28 or 38 per cent, I forget which, of the stock of the new company and that its holdings had been subsequently increased.—A. I stated that in franchise stock the proportion of the local stock—I am speaking now of the entire company—given to the parent company for a franchise was about 28 per cent, and I gave reasons for that, that the amount usually

charged for franchise was 35 per cent, but that inasmuch as the National Capital Telephone Company had a contract which precluded the consideration of the franchise stock the Bell Telephone Company only got just 35 per cent on three-fourths of the present capitalization, or the capitalization at that time, of $2,650,000.

Q. Three-fourths is not the exact proportion, I guess.—A. They got 35 per cent of three-fourths. That is my recollection, and I think that is explained, but however that stands my answer on page 19 stands. The proportion of the stock of the Chesapeake and Potomac Telephone Company given to the parent company for the franchise is about 28 per cent of $2,650,000.

Q. Yes, but it appears—— A. But I did not say that that is what they owned, by any means.

Q. Let us get it straight about the three-fourths. Seven hundred and fifty thousand dollars is not one-fourth of $2,650,000.—A. But by agreement in the consolidation it was stipulated, as my recollection now serves me, that they should receive 35 per cent, which is the regular franchise on three-fourths of the stock, in place of on the whole of it, and that will amount to about twenty-eight and a fraction.

Q. About 28 per cent of the value?—A. Yes, sir; and that has not anything to do with the holdings of that company at that time, for the reason it might have been directly or indirectly concerned in the holdings of the local companies independent of what it was entitled to for franchise. It naturally would get the stock in the new company in exchange for any holdings it might have had in either of the old companies.

Q. It did get more than 28 per cent of the stock of the new company at the organization of the new company, didn't it?—A. I don't know; but the books will show exactly what it is, and I think Mr. Haskins's statement covers that case.

Q. Well, on page 200 of our hearings, I find your statement of the dividends paid on the District of Columbia proportion of the capital stock of the Chesapeake and Potomac Telephone Company held by the American Bell Telephone Company since the organization, July 3, 1883, and for the first year, 1883, they received dividends on 4,737 shares out of 7,500 shares.—A. Yes, sir.

Q. That, of course, is more than 50 per cent. They did hold that from the beginning of this company, did they?—A. I presume they did or they would not have gotten dividends on it; but the distinction I intend to draw is not a fine one at all, because it is a question of what they were entitled to by virtue of the holdings of this patent as franchise stock, and what they were entitled to hold by virtue of any holdings they might have acquired in the companies that preceded the present one.

Q. In other words, they did not hold any franchise stock in the Washington plant previous to the reorganization?—A. I don't know whether they did or not.

Q. Any franchise stock, I say.—A. The Washington company?

Q. Yes.—A. I do not understand that there was any franchise stock given at any time by the company preceding this one.

Q. They owned 35 per cent of the franchise stock in the Maryland company?—A. Yes, sir. This is simply based upon impression, and I desire it taken as such; that the Maryland company had not the right to a perpetual franchise; that there was a stipulation in some one of the contracts—and they are all in your hands—providing for the issue of a perpetual license, 35 per cent would be given. Whether it was

given by the Telephone Exchange Company prior to the organization of the Chesapeake and Potomac Telephone Company I do not know, or whether they held a perpetual license I do not know, because I was not here at the time, was not interested in the company, and I have not had time since I came into the company to go back to matters of that kind.

Q. It may be a misprint, and if so, let us have it cleared up; but on page 171 and page 177 of our hearings——

The WITNESS. There is a good deal of misprint here.

Q. (Continuing.) On page 171, near the bottom of the page, there is a copy of what purports to be a communication, commencing: "Gentlemen: I beg to inform you that I have become the owner," etc. There does not seem to be any signature to this, and it is not addressed to anybody. I would like to know to whom and from whom that was sent?—A. I know nothing more about it than is here. I gave positive orders that copies of all these papers should be furnished you, and if this is a paper to which there was no signature I know nothing about it. I was not in Washington at the time, and I know nothing about it.

Q. There is a similar omission apparent on page 177 of the record, beginning: "Gentlemen: I beg to inform you," etc. We would like to know who signed those communications, and to whom they were addressed.—A. I am very glad you called my attention to that, because it has a strange look, and I am glad of the opportunity afforded me for clearing it up. Yes, sir; I will give you that information to-morrow morning.

Q. When was the Berliner transmitter introduced?—A. Portions of the Berliner transmitter have always been in use in every better transmitter that has ever been used in the world, but the Berliner transmitter, as a Berliner transmitter pure and simple has never been known in the business. I know of no Berliner transmitter. I know of the Berliner patent.

Q. When was the Berliner patent issued?—A. I think in 1894—or in 1893, in May—possibly in 1893.

Q. It had seventeen years to run?—A. Yes, sir; it expires in 1908.

Q. Was the same invention patented abroad?—A. No, sir.

Q. Was a patent taken out abroad on an invention substantially the same?—A. Not that I know of. As to patent matters, however, I do not profess to be an expert, and would much prefer that an expert be called. There are plenty of them in Washington who would give you information on that point. I would give you names except that I am not in a position to select men for your expert information.

Q. And at the time of the organization of the Chesapeake and Potomac Telephone Company was any inventory made up or delivered showing what franchises, licenses, rights of way, etc., were acquired by the new company?—A. I presume there was. Not being here or not interested in the company at that time I do not know.

Q. Have you ever looked to see whether there was one?—A. I have never had that matter called to my attention, as the here and now have taken precedence in everything that I have done over everything that is past. I have not had occasion to go back and have not gone back.

Q. Do you know or can you ascertain what was the cost of these several franchises, licenses, and rights of way?—A. I have never inquired; I have never had occasion to, and do not now know.

Q. Are their any title deeds for them in your possession?—A. Title deeds for franchises are unnecessary, in my opinion, further than the contracts, copies of which you have on file here. A license is not

usually accompanied by a deed. A license is a paper by itself and expresses within itself all that is intended to be conveyed.

Q. That leads me to the very point. Are the licenses and franchises of your company, which are carried as $692,600 on the books, represented by the right your company holds under the Bell Telephone Company contracts which you have furnished us?—A. I presume they are, because I furnished you all the contracts.

Q. I mean are those the contracts to which you refer?—A. They are. They are the only contracts we have with the Bell Telephone Company.

Q. Have you any other franchise contracts except those?—A. We have no franchise contracts, and all rights of way we have, of which I spoke yesterday as having been charged to expense, and which I find mentioned here to-day, were those of a temporary character which was not thought best to enter in the accounts as anything permanent or to be charged up to the rights of way, as you find them charged up on the first books there.

Q. Well, substantially, your valuable franchises, and the only ones of substantial value, are those which arise out of your contracts with the Bell Telephone Company, I believe?—A. I take it those are the valuable things we have.

Q. I call your attention to the fact that the contracts themselves do not contain any valuation of the franchise or purport to be made in consideration of any capital stock or otherwise to the Bell Telephone Company.—A. Are you sure of that?

Q. I think I am. If there is anything to the contrary I would like to have it brought out.—A. Do you mean to state that none of these contracts, the copies of which have been furnished you, indicate that any payment for them should be made in money or stock to the parent company? Is that your statement?

Q. My recollection is that the Maryland contract contains some reference to a reservation of stock in the licensee. With that exception I do not remember any consideration being named, or any reservation being made in the contract. I do not pretend to state that that is absolutely so. I would like you to point out the facts as they are in the contract.—A. Without having the contracts before me I am not able to point out that in detail, but I have previously explained that the Washington part of the business was not liable for any franchise stock, and that the Baltimore company alone was, and that whatever reservation—I am not speaking from positive knowledge—but I should say that whatever reservation was in the contract between the American Bell Telephone Company or National Telephone Company and the exchange, or its predecessor—because it had one—naturally followed the interests of that company into the Chesapeake and Potomac Telephone Company, and that whatever obligations the Maryland company was under to the Bell Telephone Company naturally had to be carried out by the Chesapeake and Potomac Telephone Company by a transfer or assignment of licenses.

Q. Now, if you desire to make a statement about the sinking fund you can do so, and here is the memorandum that the judge gave me.—A. I would be glad to tell you all I know of it. It does not come directly under the head of presidential duties to look after the sinking fund, but I have a statement here made by the treasurer to the effect that he has made eleven semiannual contributions to the sinking fund, ten of them of $10,000 each, and one of $12,500. The latter was made necessary by the recent sale of $100,000 of bonds. Inasmuch as the

mortgage provision relating to the sinking fund states that we shall every six months contribute 2½ per cent into the sinking fund, an amount equal to 2½ per cent of all the bonds issued, this shows that we have contributed $112,500 to the sinking fund, and that the accumulated interest on this investment is $14,675, making a total in the sinking fund to-day of $127,175.

Q. How is your company taxed in the District of Columbia, Mr. Bryan? I see that a very trifling amount of taxes is included in your expense account?—A. There is a tax on our real estate and an assessment of $30,000 in addition. Those are the only assessments, I believe.

Q. An assessment of $30,000 for what?—A. Well, I do not know for what. It is upon the property of the company. What it represents I do not know.

Q. Upon that you pay what taxation?—A. We pay a taxation as fixed by law of $1.50 a hundred, I believe. Those are the direct taxes. We have a good many indirect taxes.

Q. One dollar and fifty cents a hundred. That would be what on $30,000?—A. Four hundred and fifty dollars.

Mr. BINGHAM. The annual sum total is how much?

Mr. PITNEY. The taxes, as found on page 214 of the Hearings, are only $300, apparently for the years 1894–95. It is $314 for the year 1896; $330 for the year 1897.

A. Well, the amount paid to the District of Columbia is $450 on the valuation of those things that are outside real estate, and our receipts will show that that is the amount paid.

By Mr. PITNEY:

Q. On those things outside of what?—A. Real estate.

Q. Is part of that charged up to Baltimore business?—A. No, sir; we could not charge up any Washington taxes to Baltimore business. We have been able to get one third of that taxation—of the $450—from the Bell Telephone Company.

Q. That leaves $300 charged to your own expense account?—A. Yes, sir; $300, irrespective of real estate.

Q. In what State was your company organized?—A. New York.

Q. Do you pay taxes in New York?—A. I would have to go to the treasurer for that. He settles all our business so far as New York is concerned.

Q. Well, if you did it would be charged in your expense account?—A. If it does not appear there we probably do not pay it. Instructions are to comply with the New York law. We leave him to study up what the requirements are, and approve his vouchers.

Q. Now, you have brought here the material reports, the daily reports of material, and so forth, for the years 1896 and 1897?—A. Yes, sir.

Q. Can you tell me how those are charged by bookkeepers of your company in keeping the books?—A. I can only tell you—I can tell you in detail to some extent what the instructions on that are. Of course it is impossible for a man in my position to follow all these items through the books. You can understand that that can not be done very well; but the instructions in each department and in all the departments are uniform on the point of distribution. I have here a description of the distribution that it seems proper to make.

Q. Have you it in writing?—A. In print.

Q. Let me see it. We may want the whole of it.—A. Very well. It will be a good thing to put in, I should think. I merely submit that,

Mr. Chairman, so that you may see that we are not going by sixes and sevens—that we have an absolute rule of distribution by which we are governed in the distribution of our accounts.

Q. Your instructions are in print, are they?—A. Those are not instructions; they are suggestions.

Q. I took the word you gave me.—A. Well, my instructions are that the officers of the company shall be governed by those suggestions. Instructions can not come from any other company to the Chesapeake and Potomac Telephone Company.

Q. This pamphlet you handed me came from the American Bell Telephone Company to the Chesapeake and Potomac Telephone Company, I believe?—A. Yes, sir.

Q. Dated Washington, January 1, 1891?—A. With the view of securing uniformity as far as possible throughout the country in keeping telephone accounts—matters of statistical value and purposes of comparison, etc.

Q. You have undertaken to follow these suggestions, have you?—A. We have followed them.

Q. Among them I find this: "It is also recommended that a supplemental book shall be kept in which shall be entered in detail each piece of construction work under the proper classification as to its character and location." That construction work there, as I gather from the context, means construction work whether charged to maintenance account or construction account. Have you kept such a book?—A. The form is not given there. We keep that in our own way and whenever any large piece of repair work is necessary, like the rebuilding of a line or part of a line, the estimate is furnished by the general superintendent of construction, and is first passed upon by me and submitted to the board of directors and becomes a matter for their action. Those things are all on file.

Q. What things?—A. Those estimates; that information. Not exactly in the shape of a book, but the information is just as accessible as if it were in a book.

Q. Is it in such a shape that an ordinary person not connected with the company would be able to tell whether it was a matter of construction or a matter of maintenance?—A. That depends. If someone who knew absolutely nothing about the telephone business or the local situation were to endeavor to find out what was construction and what was maintenance, it might be a difficult matter for him to do it; but anyone who was familiar with the business or thoroughly familiar with the situation should be able to determine very readily.

Q. Now, you have furnished here for the years 1896 and 1897 a supplemental book for each year—— A. Before that let me refer to another thing in that connection, and that is, that the letter that I wrote to the chairman of the committee requesting that experts be appointed for the purpose of determining just the point you brought up as to whether someone outside of the company could determine the question as to whether a piece of work was construction or maintenance——

Q. The letter does not state so, but whether it did or not—— A. The letter does not state that, but the letter is absolutely comprehensive and takes in everything in relation to the company.

Q. The letter, from some cause or other, was not communicated to the committee. It may have been received by the chairman after he retired from active work upon the committee. Our first intimation of it came this morning.—A. I never had any notification that he had retired.

Q. You have here two books, one for 1896 and one for 1897, which

Mr. Haskins calls material account—material reports. Is there any daily report of work done for construction and maintenance other than what is contained in these books?—A. There was a daily record here. I do not know where it is now. Was not the daily record brought down here?

Q. These are the two books Mr. Haskins brought.—A. You talk about that being a material report. That is no material report.

Q. Mr. Haskins called it that.—A. What I mean by a book, in addition to that there [indicating], is a book showing from day to day the work on which each man is engaged and the material he has used.

Q. I presume these two books are the books to which you refer, and one refers to the year 1896 and the other to the year 1897. Please look at them and see what they are, in fact.—A. I will be glad to, but they were before you and not me and I did not know. I take it that canvas-covered book is what I was speaking about. Yes, this is the same thing. This precedes the other. This book [indicating] follows this book [indicating].

Q. Let me ask Mr. Haskins. These daily reports of work done—one for the year 1896 and one for the year 1897—do not include any construction, as I understood you to say this morning?

Mr. HASKINS. They do not for those two years—no outside construction in those two years.

Q. These do not include anything that was charged as construction?

Mr. HASKINS. Include all the work that was done outside, but none of that was charged to construction. It was all charged to maintenance.

Q. And in the bookkeeping of the companies for the years 1896 and 1897 all work done outside of the telephone company's business was charged to maintenance?—A. What I mean is, outside work is done up to the connection with the house. That is outside work. The inside work is the putting in of the telephone machines and things of that kind; so that there was a certain amount of construction done in those two years, but it was inside work and it was equipment.

Q. Inside of the dwelling houses?—A. Yes, sir; it was all construction equipment.

Q. And when the telephone is put in the work inside the house is charged to construction, is it?

Mr. HASKINS. Yes, sir.

The WITNESS. No, sir.

Mr. HASKINS. The work of putting up there is maintenance, but the additional machines, the equipment, is charged to construction.

Mr. PITNEY. I see. When you say machines you mean telephones?

Mr. HASKINS. Yes, sir.

The WITNESS. I will give you the distinction, to make it clear.

Mr. PITNEY. All right, so you don't differ among yourselves.

The WITNESS. Mr. Haskins has been examining these books, and has not examined the wires and equipment of the stations, and I do not think it is fair to put it in that way. What we call the construction force is engaged in constructing and maintaining pole lines, underground cables, and everything of that kind which relates to construction necessarily for the use of the telephone company, from the point in the basement of the telephone building outward from one side of the framework to the point of entrance to the subscriber's building. The electrical and equipment department controls that part of the work which is entirely inside the subscriber's premises, including the station and equipment, wires, etc., and all of the work from the other side of

this framework in the basement that I speak of, to and including the switchboard. Those are the distinctions to be made between our construction force and our electrical force.

Q. Now I want to know what part of the work is included in these daily reports from 1896 and 1897?

Mr. HASKINS. Can I correct a statement?

Mr. PITNEY. Yes.

Mr. HASKINS. In regard to those two books you will find Exhibit F on the printed report was not the total construction done up to date by the Chesapeake and Potomac Telephone Company. You will note that for the year ending December 31, 1896, there was an amount of $7,953.33, and for the year ending 1897, $9,364.36. For the year 1896 you will find a certain amount done for underground conduit and underground cable and aerial construction and different lines. That is outside work, as I understand it.

The WITNESS. Do you mean to say those amounts were added to the construction account in those years?

Mr. HASKINS. Yes; not charged to maintenance; and those, as I understand it, Mr. President, are under the supervision of the outside men, and the underground conduits and underground cables?

The WITNESS. Yes, sir.

Mr. HASKINS. And those which appear in those detailed books of 1896 and 1897, charged to construction account in the general books, is all for equipment, and would not appear in those detailed books.

Mr. PITNEY. Then your statement agrees with that of Mr. Bryan, as I understand it; that equipment, as you call it, is not included in these daily reports?

Mr. HASKINS. No, sir.

Mr. PITNEY. These reports include work in the streets or over streets or on top of buildings, and is altogether between the outside of your central station and the outside of the subscriber's local station?

Mr. HASKINS. Yes, sir.

Mr. PITNEY. None of the work done outside in the year 1897, and shown in these daily reports, has been charged to the construction account?

A. In 1897, I think not. No, sir; I do not know of any construction in 1897.

Q. You adopted a different distribution of your charges beginning in January, 1897, did you?—A. Why, no; we did not. We kept exactly the same all they way through.

Q. Then, how do you account for the absence in the year 1897 of any charge for conduit construction, underground construction, or aerial construction or pole line?—A. Because we made none. It was all replacement.

Q. You made new construction in previous years, but did not make any in 1897?—A. That is correct.

Q. You spent twice as much money in that kind of work in 1897 as you did in previous years?—A. Houses have to be torn down in one year, sometimes, and cost a good deal of money that in the previous year you did not make any record of.

Q. Just refer to the hearings on page 49, where there is an extract from the report of the Commissioners of the District of Columbia showing the summary of the conduits of your company as they stood May 1, 1897, as furnished by your company, and a summary as they stood on the 1st of September, 1897, showing that on May 1 you had total mile-

age of conduits, 53,657 feet, and on the 1st of September 55,875 feet, and on the 1st of May you had 626,131 feet and 10 inches of duct, and on the 1st of September 696,034 feet and 9 inches of duct?—A. You find that on page 49?

Q. Yes, sir.—A. Yes, sir; I understand that. That is explained by the fact that we increased the capacity of the underground conduit on Fifteenth street and on G street, preferring to do that rather than to tear up the street for something that might go in in the future, and we did not charge that to construction for the reason given in the explanation of the distribution of accounts, that where a piece of repair work does not exceed in cost the amount originally charged to construction on this account no part of the replacement shall be charged to the construction account, as otherwise it would destroy the equilibrium of accounts, and show a greater charge to construction than should be made to that account.

Q. That is your explanation of the increase of mileage of duct, supposing the mileage of conduit remains the same. But here is an increase of conduit amounting to 2,500 feet between the 1st of May and the 1st of September.—A. A difference between 79,944 feet——

Q. (Continuing.) Excuse me. I have made the difference too small. I have taken the wrong figures. Now, I will repeat. The total, irrespective of branch conduits—in the upper part of page 49, on May 1, 1897—main conduits, 53,357 feet, and branch conduits, 17,560 feet?—A. Yes, sir.

Q. Making a total of 70,917 feet?—A. Yes, sir.

Q. And down below you will find conduits—it does not say whether franchise or main, but I suppose it means both together—Chesapeake and Potomac Telephone Company, 79,944, which is more than 9,000 feet in excess of the conduits shown above as existing on May 1.—A. I do not know where that came from.

Mr. WILSON. It came from the Commissioners.

The WITNESS. It came from the Commissioners, I take it, because I do not submit any figures like that. I certainly think not. I do not think that I had begun to submit anything at that time, Mr. Chairman.

Q. The Commissioners say that you did furnish that statement of May 1, 1897.—A. We are quite as correct in our methods and quite as consistent as the Commissioners are, and I would rather be disposed, irrespective of any bias I have, to blame them than to blame the telephone company. But I would be very glad if you would ask for the report from the Commissioners, so we can tell whether those things were submitted officially by us or not, or whether this matter has been the result of a mistake on the part of some clerk in the Commissioners' office, for which I do not hold myself responsible at all.

Q. That is the only explanation you have to make of that to-day?—A. That is the only explanation.

Thereupon the committee (3.15 o'clock) adjourned until to-morrow, April 28, at 10 o'clock.

THURSDAY, *April 28, 1898.*

The committee met at 10:30 o'clock a. m.

Present: Mr. Pitney and Mr. Dockery, of the committee; Mr. Bryan, president of the Chesapeake and Potomac Telephone Company; Judge Wilson, attorney for the telephone company, and Mr. Hemphill, representing the Citizen Subscribers' Association.

HORACE W. UPPERMAN, called and sworn as a witness on behalf of the telephone company, testified as follows:

By Mr. WILSON:

Q. State your residence and occupation.—A. Secretary and purchasing agent for the telephone company.

Q. How long have you occupied the position of purchasing agent?—A. Since 1895.

Q. Before that time what were your relations to the company?—A. I was elected secretary in 1893. Before that I was clerk in the treasurer's office.

Q. As purchasing agent, what are your duties?—A. My duties are to buy all supplies of every kind that the company uses.

Q. State how that business, making purchases, is conducted. In the first place I want to know how you ascertain what material, etc., you are to purchase and what you do in that regard.—A. There is a requisition made for that in the construction department and the electrical department about a week before the board of directors' meeting. Then I obtain prices on all the material required. That is submitted to the general manager for his approval, and after his approval it is approved by the board of directors.

Q. These materials that you purchase consist of what; give us a general idea?—A. They consist of poles, wires, cables, bells—everything that would naturally be used in the telephone business.

Q. State the processes that you go through in making your purchases.—A. The purchases of stationery and such things which are bought right here in town I usually do by telephone. I call up two or three dealers and get the bottom prices for the articles. The poles I get estimates by letter usually from three or four people, and the patented articles are bought from the different companies over the country who control them.

Q. With reference to the poles that you purchase, I want to know whether you get them at the lowest rates you can?—A. Yes, sir; we always, unless there is some reason, such as the man not being responsible to deliver them within the time. It is almost invariably given to the lowest bidder.

Q. In reference to those other purchases that you make from the dealers about town, I want to know whether you buy all that class of supplies at the best rates you can get them for?—A. I do, sir; always.

Q. You make purchases from the Western Electric Company?—A. Yes, sir.

Q. State the kind of supplies you purchase from that company?—A. Well, the most important supplies, the largest supplies, we buy are cables, bells, and wire. Of course we buy miscellaneous stuff, miscellaneous articles used in connection with the switchboard and things of that kind. We buy parts of bells.

Q. Those purchases that you get from the Western Electric Company—are there any other concerns that furnish the same class of supplies?—A. Yes, sir.

Q. Will you name what the concerns are?—A. Well, we have bought wire and cable from other concerns. We have bought it from Lewison Brothers, of New York, for one.

Q. State whether or not you pay to the Western Electric Company any higher rates or prices than you can get the same supplies for from other companies; or, if you can get your supplies cheaper from the Western Electric Company, state all the facts in regard to it.—A. The Western Electric Company is cheaper in the furnishing of wire—for instance, cable—because, while the price of copper and other material we get from them fluctuates, we make a contract with them at the lowest rate at that time, and they give us the advantage of any drop in the price and take care of us in case of any rise in the price. In other words, they can not raise the price on us that we agree upon, but we get any advantage of lower market price. We usually make those contracts for, say, 500 miles of wire.

Q. Is there any other company from which you can get that advantage?—A. No, sir; I have never found one.

Q. Have you ever bought certain supplies from the Western Electric Company when you could have bought them cheaper from somebody else?—A. No, sir; not to my knowledge. I have tried to get the cheapest I could.

Q. Have you any other advantage in dealing with the Western Electric Company in the respect of inspection or things of that sort?—A. Yes, sir; the Western Electric Company—all our copper wire, for instance, is subject to a test as to the strength and different qualities, and the Western Electric Company pays the cost of the inspection. So that is an advantage.

Q. If you bought from others you would have to pay the cost?—A. Usually; yes, sir.

Q. Do you know any place where you can to-day get these various supplies that you purchase at a cheaper rate than you have been paying them?—A. No, sir; I go over this. I take these different articles each month and get new prices on them nearly every month just before the board of directors approve the requisitions.

Q. In reference to these requisitions, how do you do for the purpose of ascertaining what you are going to need during the month?—A. That is made up by Mr. Crenshaw for the construction department and Mr. Crandall for the electrical department.

Q. Have you ever made any purchase or has the company ever made any purchase of material that was not necessary for the successful conduct of its business, in your judgment?—A. Not to my judgment; no, sir.

Q. Do you know where any reduction in expenses of purchases of material can be made without impairing the efficiency of the service?—A. No, sir; I do not.

Q. To state that thing in a different form, do you know of any expenditure that has been made in the way of purchase of material that was not necessary for the maintenance of the service in its present condition?—A. No, sir; I know of none.

By Mr. PITNEY:

Q. You mean to say there have been no purchases that have gone into construction? Are you not charged with purchases for construction?—A. All the purchases.

Q. Then probably you made an inadvertent reply to that question. You were asked whether you had made any purchases that were not

necessary for the maintenance of the service.—A. I meant maintenance and construction, of course.

Mr. WILSON. I meant keeping the property up to its present condition. That is all I wanted to ask.

By Mr. HEMPHILL:

Q. What patents are controlled by this Western Electric Company that you speak of?—A. What patents?

Q. Yes. You say when things are patented you buy from the parties that control the patents.—A. Principally the bell—the magneto-bell.

Q. The bell one rings when he turns the crank of the telephone?—A. Yes, sir.

Q. They control those?—A. I believe they control the kind we buy; yes, sir.

Q. Do they control any others that you know of?—A. No, sir.

Q. What do you have to pay for those bells?—A. Six dollars and ninety cents.

Q. For how many?—A. One.

Q. For one you pay $6.90?—A. Yes, sir.

Q. What does it cost to manufacture them; do you know?—A. No, sir, I do not know.

Q. Is there any electricity about that part of it?—A. Yes, sir, there is a generator there; there is a generator which rings the bell at the central office.

Q. The part you pay for is not the electrical part, is it? That belongs to the machine independent of the bell, doesn't it?—A. Well, it is the whole bell. The generator is inside the bell.

Q. You get a generator with each bell?—A. Yes, sir; the bell complete, just as you see it there. [Indicating.]

Q. You do not know what they cost to construct?—A. No, sir; I do not. I know that it is the cheapest and best bell we can get.

Q. The cheapest bell you can get?—A. Yes, sir; to serve the purpose, to do the efficient work we require.

Q. What do the other bells cost?—A. I do not know. There are other prices paid for bells, but not used on work of this kind—for exchange work.

Q. Is this the only bell that could be used for exchange work?—A. Yes, sir; I don't think it is the only bell, but——

Q. What do these other companies use—they have bells?—A. Yes, sir.

Q. What do they use?—A. I don't know.

Q. So far as your experience with bells goes, you simply buy from the Western Electric Company?—A. Because we think it is the best bell.

By Mr. PITNEY:

Q. How do you know it is the best?—A. I say we think it is the best. The electrical department think it is the best. I am not an electrician myself, and I simply do the buying, you know.

Q. You do not exercise discretion, then, when it comes to the buying of bells, at all?

Mr. HEMPHILL. As to which bell you buy?

A. We always buy what we think is the best bell, and get it at the cheapest price possible.

By Mr. PITNEY:

Q. Then you do not know what the other bells are, or anything about them?—A. I have to do that on recommendation——

Mr. BRYAN. This is done on the recommendation of the electrical department.

Mr. PITNEY. Why doesn't he say that?

Mr. HEMPHILL. I asked him if he exercised any discretion in the buying of bells, and he said not.

The WITNESS. Let me make myself plain. These requisitions come to me for material. The material is described, specifications are made out, and I get the cheapest price I can on such and such an article. That is as far as I go into it at all.

Q. That is what I say. You do not exercise any discretion as to the selection of bells at all?—A. No, sir; not at all.

Q. And you pay $6.90 per bell?—A. Yes, sir.

Q. And do they increase and diminish those prices, or is that a fixed price you always pay?—A. The prices vary. We have had a reduction from seven dollars and something to $6.90, which is the last price.

Q. You buy all of your bells, then, from the Western Electric Company?—A. Yes, sir.

Q. What else do you buy from them solely?—A. Nothing.

Q. What proportion of your purchases comes from them?—A. Well, now, I looked over that for 1897, and I think there was a difference of about—it ran from, the outside purchases were $70,000, and the Western Electric Company was [pause]—I would rather not state that until I look it up. I have it on the desk.

Mr. BRYAN. It is in the record now.

The WITNESS. I think it is in the record now. I have made it up, but I would not like to state it without having the figures before me.

By Mr. HEMPHILL:

Q. You mean outside purchases of the same articles?—A. No. I mean articles other than those purchased from the Western Electric Company—miscellaneous articles of all kinds.

Q. A great many of those miscellaneous articles the Western Electric Company does not manufacture at all, does it?—A. No; nearly everything. Everything, nearly, we can get outside, I get it where we can get it cheapest.

Q. That is not the point. What is the proportion of the purchases made from the Western Electric Company that might be made from other companies, if you can get at that, and then what is the proportion of all the purchases?—A. I can not tell you the proportion without figuring it out, but I can tell you this: As I stated when Judge Wilson asked the question, the majority—the biggest part—we buy from the Western Electric Company are the cables, wire, and bells, and, as I told Judge Wilson, the cable and wire area lways taken care of in the fluctuation of prices by the Western Electric Company.

Q. Taken care of; in what way do you mean?—A. I mean this: I make a contract with them for a certain price for 500 miles. If copper goes down, they give us the advantage of any drop in the price; if it goes up, they charge us no more than the contract price.

Q. Even if they lose on it?—A. Even if they lose on it, yes. They pay the inspection and freight.

Q. Do other companies not pay freight?—A. No. I won't say that. I have bought wire from other people and they paid the freight, but we have always had to pay the inspection——

Q. Paid the inspection in other companies?—A. Yes, sir.

Q. What is the peculiarly kind feeling that the Western Electric has toward you. What is the ground of it?—A. I do not know.

Q. Do you know who are the stockholders of the Western Electric Company?—A. No. I have no idea in the world, sir.

Q. You do not know about that. That is not within your province?—A. No, sir.

Q. Now, if you can get that proposition I asked for——

The WITNESS. Let me understand—you want to know what proportion is bought from the Western Electric Company and what from outsiders?

Mr. HEMPHILL. Yes.

The WITNESS. For the last year—1897?

Mr. HEMPHILL. For all purchases made, and then for those things which the Western Electric Company manufactures and other companies manufacture also.

Mr. BRYAN. Unless the committee ask for that I shall object.

Mr. HEMPHILL. It is simply this: As to the proportion of purchases that he made from the Western Electric Company of articles which might be purchased from other companies.

Mr. PITNEY. If you will look in the testimony you will find a list of things bought from the Western Electric Company, and you might cross-examine him on that list.

Mr. BRYAN. If the counsel will indicate any articles bought from the Western Electric Company that might be purchased at better advantage elsewhere I should be very glad to have it investigated and a report made, but as to taking this thing the way Mr. Hemphill is taking it, it simply imposes work that can serve no good purpose.

Mr. PITNEY. I do not suppose that it is for counsel to point out evidence, but it is for him to extract evidence. The purpose of the testimony of your witness, as I understand it, is to show that the purchases made by your company are economically made, and made with due regard to the interests of your company and, in that behalf, in the interest also of the public. Mr. Hemphill desires to cross-examine him on that statement. I do not know how he could otherwise do it.

Mr. BRYAN. I do not object to that, but what I object to is that upon the information that we furnish we shall first make an analysis at Mr. Hemphill's request to-day, and perhaps to-morrow another one, and it might be continued all summer in the same line. What we want to know is, what we are expected to furnish, and then we will do it. I do not object to the cross-examination of the witness, but as to the request that Mr. Hemphill has made, that we should take the articles purchased from the Western Electric Company and find out whether anybody else supplies those, and then find out whether the price from somebody else would be less, without specifying the articles, I do not think it is fair.

Mr. PITNEY. I suppose that Mr. Hemphill takes it for granted your agent knows whether these can be purchased elsewhere, and if it is satisfactory to Mr. Hemphill he can rest on that, or otherwise he can rebut it.

Mr. HEMPHILL. I hope to get at this statement here—154 and 155—but I will not insist upon that, as the president does not seem to be anxious to furnish it.

Mr. WILSON. We will furnish you anything.

Mr. HEMPHILL. I am not objecting. I think this probably explains the thing fully enough.

Mr. PITNEY. Whether that list shows which of the articles purchased from the Western Electric Company might be purchased elsewhere I do not know.

The WITNESS. It does not.

Mr. PITNEY. If that is the point of your inquiry, you had better pursue it in that line, and we will see whether we can gain valuable information in that way.

Mr. HEMPHILL. The only point about it is whether you can furnish a statement that will throw light upon that statement of the proportion.

The WITNESS. I can tell you now that we have purchased of the Western Electric Company or of other people all articles at the lowest price that I could obtain.

By Mr. PITNEY. What is included in the bell that you purchase from the Western Electric Company at $6 90?

A. If you will pardon me—if you will ask the electrical department that question they will explain better than I could.

Q. Don't you see the articles?—A. Yes, sir.

Q. We want a physical explanation.—A. It is the ringer—the bell, and the generator, and the coils inside.

Q. Is the box included?—A. Yes, sir.

Q. The case?—A. Yes, sir; just as it stands there [indicating], with the switch on the side.

Q. That is included in the small box at the upper part on an ordinary telephone?—A. Yes, sir.

Q. Now there is another arrangement of telephone stations with the bell beneath, what is known as the long distance instrument?—A. Yes, sir.

Q. Is the same price paid for that form of bell mechanism as for the other?—A. No, sir.

Q. What is the difference?—A. I can not give you that. We built those ourselves. I would have to answer that later.

Q. You built what yourself?—A. You mean the stand-up cabinet?

Q. I mean—— —A. You mean the bell for the long-distance instrument?

Q. Yes. Is it the same mechanism?—A. Yes, sir.

Q. You say you built the bells for the stand-up cabinet?—A. No, sir.

Q. What have you built?—A. We have built the cabinet and bought the parts of the bells and put them in. We bought the parts of the bells from the Western Electric Company and put them in.

Q. You bought from them, did you?—A. Yes, sir.

Q. Have you any knowledge yourself of the manufacture of such an instrument.—A. No, sir.

Q. Do you know what part of the bell instrument is patented by the Western Electric Company, or what patents controlled by them?—A. No, sir; I do not.

A. P. CRENSHAW, called and sworn as a witness in behalf of the telephone company, testified as follows:

By Mr. WILSON:

Q. What is your full name?—A. Augustus P. Crenshaw.

Q. Where do you reside and what is your occupation?—A. No. 1113 U street, NW.; occupation, general superintendent of construction, Chesapeake and Potomac Telephone Company.

Q. How long have you occupied that position?—A. Since April, 1887.

Q. What work does your department embrace?—A. My department embraces the construction and the maintenance thereof in the entire territory of the company, including the District of Columbia, Maryland, and a portion of West Virginia.

Q. Will you give the committee somewhat in detail the character of the work that is necessary to be done in order to make any connection—construction and maintenance?—A. In connection with the construction I have the laying of under-ground conduits, the drawing in of under-ground cables, the erecting of poles, and the placing of wires thereon. In other words, the complete equipment from the exchange building to the subscriber's place. In connection with the maintenance of plant, I have the repairing and replacing of poles, the repairing of wires and replacing them, cross arms, repairing cables, and cleaning and keeping in shape the conduits and the manholes.

Q. How do you get the material for that work?—A. I make monthly requisitions on the purchasing agent for the amount of material that is estimated to be required for the coming month.

Q. How do you arrive at that. You say you make estimates——?—A. Well, I find it necessary to keep a certain amount of poles, cross arms, wire, and cables on hand, as it takes some time to get most of the material, so in case a pole breaks off or we have a storm or anything unforeseen happens that we shall have material on hand to replace it or repair it.

Q. Do you make the best estimates you can as to what will be needed for the month you call for the material?—A. Yes, sir. Sometimes that stands two or three months before it is used, and sometimes we use it during the month for which it is requested.

Q. In making these requisitions I suppose you have an eye to what you already have on hand?—A. Yes, sir. I go over the stock each month before making my estimates to see what we need.

Q. I wish now to know whether you make any requisitions for material you do not need for the purpose of keeping the plant in condition?—A. No, sir.

Q. How many employees have you under you?

Mr. PITNEY. If you will excuse me, I think you are putting questions in such a way that he answers them in a way that he does not mean to—that he says what he does not mean to say. Do you mean that you do not make any requisitions for purchases that are intended for the extension and enlargement of the plant?

The WITNESS. Yes, sir. I mean the requisitions are made up for maintenance of the plant. If I do any construction, that is done by special vote and a special requisition is sent in.

By Mr. PITNEY:

Q. Do you have anything to do with making requisitions for new construction?—A. Yes, sir.

Q. Your former answer would negative that entirely?—A. I was referring to the requisitions I made up monthly. Those are made for maintenance only. When there is any construction to be done that is done on a separate requisition by the order of the directors.

Mr. WILSON. How many employees do you keep for your particular branch of this business?

A. Do you mean the entire department or the District of Columbia?

Q. The District of Columbia.—A. In the District of Columbia it runs from 50 to 65 employees.

Q. Do you keep any persons in your employ that are not necessary to do the work to keep the plant in condition—properly maintaining the plant?—A. No, sir; I do not.

Q. In the matter of new construction, can you tell me how many employees you have when you are engaged in new construction; or

does that depend upon the character of construction?—A. It depends on the character of work. I generally draw from my maintenance force to get through with construction, and afterwards add to the maintenance force to get it back in its proper condition.

Q. In any branch of the work in your department I want to know whether you keep any employees that are not necessary for the purpose of carrying on the work properly?—A. No, sir; I do not.

Q. What have you to say in regard to wages that are paid to employees?—A. I think our wages are rather below the ordinary wages paid for the class of work that we do.

Q. Can you do this work any cheaper than you do and do it as efficiently as it is done?—A. No, sir; to do it cheaper we would have to sacrifice the efficiency.

Q. What class of material is used in the construction and in the maintenance? I want to know whether it is the best material or inferior material—good, bad, or indifferent?—A. We always use the best. Our specifications are of a high standard, and it has got to be up to the specifications.

Q. And how is it as to the labor employed; is it efficient labor or indifferent?—A. Efficient labor. The majority of the men have been with us as long as ten years, educated right up into the work.

Q. If you know, please tell us where any reduction in expense can be made in your department without impairing the efficiency of the service or the usefulness of the plant?—A. I know of no way expenses can be reduced except in the way that I do—by shifting the number of men, laying them off at times, and putting them on at other times, according as the work required.

Q. You do do that?—A. Yes, sir; and that is why I say my force varies from 50 to about 65.

Q. Do you know of any expenditures that have been made that were not necessary to maintain the plant and service in its present condition?—A. No, sir; I do not.

Mr. PITNEY. Excuse me, but you are putting leading questions, and while I do not object to you asking them, you lead the witness into saying what he does not mean. You do not mean to say that you have not made any expenditures necessary to maintain the plant?

The WITNESS. On the maintenance account, I do.

Mr. PITNEY. Why don't you say that? The question reads: "Were there any expenditures made except such as necessary to maintain the plant in its present condition?" You do not mean that, do you?

The WITNESS. I mean that in one sense of the word. I do not mean that for the entire time I have been employed in the company, but I mean in the connection that has led up to it—these maintenance requisitions, the force, etc.—I mean in connection with that we have made no expenditures that were not necessary.

Mr. WILSON. That was what I thought my question embraced.

Mr. PITNEY. You will find that it will read differently.

By Mr. PITNEY:

Q. Have you been in charge of the maintenance and construction work since 1887?—A. I have.

Q. And have made all requisitions since that time?—A. Yes, sir.

Q. And have superintended all work of maintenance and construction in the District of Columbia since the year 1887?—A. All work in my department.

Q. I mean what is known as the outside work.—A. Yes, sir.

Q. Now, there has been a large number of new underground lines laid since 1887, I believe?—A. Yes, sir.

Q. Conduit lines, etc.?—A. Yes, sir.

Q. How much underground conduit did you have in 1887?—A. I have not the exact number of feet in my mind. I should—(pause). I could not tell you without referring to the books. We laid a great deal of conduit in 1884, 1885, and 1886.

Q. Can you tell me how many miles of conduit you had in 1887?—A. Offhand I could not.

Q. Can you tell me how many miles of conduit you had on the 31st of December, 1897?—A. We had 79,000 and some hundred feet.

Mr. WILSON. You had the question up yesterday, Mr. Pitney, and I would like to give you a communication from Mr. Crenshaw, and you can probably get the information you desire by looking at that. [Hands paper to Mr. Pitney.]

Mr. PITNEY. Mr. Wilson has just placed in my hands your letter dated yesterday, addressed to the Chesapeake and Potomac Telephone Company, reporting as to the amount of conduit of your company in the city of Washington. I would like to have the letter embodied in the record, if you please, judge.

Mr. WILSON. Certainly.

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
Washington, D. C., April 27, 1898.

The CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
(Samuel M. Bryan, Esq., General Manager,)
Washington, D. C.

DEAR SIR: In relation to the amount of conduit this company has in Washington, I beg to submit the following statement:

On December 31, 1896, this company had 71,027 feet 5¼ inches of trench conduit in the drawing-in system and 9,045 feet of trench conduit in the asphalt or solid system, making the total amount of trench conduit 80,072 feet 5¼ inches. The above-mentioned asphalt system during 1897 was repaired by the drawing-in system.

On December 31, 1897, this company had 79,752 feet 9¼ inches of trench conduit in the drawing-in system and no trench conduit in the asphalt system, making the total amount of trench conduit 319 feet 8 inches less on December 31, 1897, than on December 31, 1896.

The Commissioner's report, showing the amount of conduit of this company on May 1, 1897, included only the conduit drawing-in system, the asphalt system being left out.

Hoping this will furnish the desired information, I am, yours, very respectfully,

A. P. CRENSHAW,
General Superintendent of Construction.

By Mr. PITNEY:

Q. I desire to ask the witness where he procured the data which is contained in this letter?—A. From my records in my office.

Q. You have records in the office, have you, showing the amount of conduit construction existing at the different periods?—A. Yes, sir.

Q. How long have those records been kept?—A. I am not certain; but for the last four or five years anyway.

Q. Have not they been kept longer than that?—A. Possibly; but I could not tell you from memory now.

Q. And in what manner are they kept?—A. By myself in my office with the assistance of a clerk.

Q. Under your supervision?—A. Under my supervision.

Q. Are entries made in those records daily or monthly, or how frequently?—A. The record is completed up for each year's work; the last portion of the year.

Q. There must be some memorandum records kept during the year?—A. Yes, sir; there is a memorandum of the conduits laid.

Q. Are those records preserved—those daily records, or weekly or monthly records, as the case may be, of the amount of conduit laid at different times during the year—are those records preserved?—A. Not as measurements, but statements as to when the conduit was laid. The measurement is taken when the work is finally completed by the draftsman and engineer.

Q. Now, give me, if you please, a statement in general with substantial accuracy, from the best recollection you have, of the course of the construction work of your company in the past ten years. Please give an account of it and a history of the construction of your company in the past ten years.—A. It is very hard to give that—to have that in mind ten years ago. The principal construction probably was done in about 1891 and 1892—principal underground construction.

Q. And that consisted of what?—A. That consisted of building conduits, manholes, and drawing underground cables.

Q. Were the conduits you had previous to that time the drawing-in system or the solid system or the asphalt system?—A. It was the solid system.

Q. And when did you introduce the drawing-in system?—A. We commenced to build that in 1891. In building that we had to replace a great portion of our solid-system cable, which we have gradually done, until in the year 1897 we finally wiped out and got rid of the solid-system cable altogether.

Q. The drawing-in system is much better, is it?—A. It is much better; yes, sir. It is much better than the old system.

Q. And the advantage consists in what?—A. The advantage consists in being able to repair the cable when it gets out of order without tearing up the streets. Under the solid system, if the cable became defective through electrolysis or any cause, it was necessary to open the street to make tests, and then tear it up and put a new piece of cable in; whereas in the drawing-in system it can be repaired without disturbing the street at all.

Q. And without disturbing the use of the telephones?—A. Except for a limited period.

Q. (Continuing.) In introducing the new length to take the place of the one you are drawing out?—A. Yes, sir; that is correct.

Q. How much drawing-in cable was laid in the years 1891 and 1892?—A. I can not state from recollection.

Q. But the first of it was laid in 1891?—A. The first of the drawing-in system was laid in 1891.

Q. Now, can you tell me how many feet or how many miles of the old-fashioned conduit you had in 1891 when you commenced to substitute the drawing-in system?—A. I can not answer that, for the same reasons, as to what I had in 1887. We had the same amount in both cases, but I do not know, even approximately, the mileage.

Q. How does the amount of your aerial construction, as it existed on the 31st of December last, compare with the amount existing in 1887? Have you more overhead lines or fewer? If more, how much more; and if fewer, how much fewer?—A. There has been very little difference made in it. Probably a little more, but very little more. The laying of the underground cables caused us to shift the overhead system to some extent, but in a great many places instead of adding to it has very much decreased it.

Q. Now, go on, if you please, and complete your answer as to the

construction work of your company. I mean what you call construction as distinguished from what you call maintenance.—A. Describe it in what way—as to what we have?

Q. What you have done since 1891 and 1892. You have given us in general what you think was the construction work in those years, and——A. Well, we have done very little construction work since that time. We possibly did a little conduit work in 1894, but that is all the construction work we have done at all.

Q. Now, what is the distinction you make between conduit work and maintenance work?—A. My distinction of construction work is that nothing should be charged to construction unless it increases the facility of our plant and increases the cost of what it replaces.

Q. You laid new conduits in the year 1897 to replace a certain amount of old asphalt or solid conduits?—A. Yes, sir.

Q. Is that amount mentioned in your letter of April 27?—A. You mean my letter of yesterday?

Q. I think it is by inference. If you want to look at the figures, you can look here.—A. I understand. That amount includes the amount laid in 1897, thereby wiping out that old asphalt trench.

Q. If you subtract the 71,027 feet 5½ inches, December 31, 1896, from the 79,752 feet 9½ inches that you had December 31, 1897, that will show the amount of laying in conduits done in the year. Is that right?—A. Yes, sir; replacing the asphalt conduits.

Q. The difference is 8,725 feet 4 inches?—A. Yes, sir.

Q. And you account for the difference found in the amounts of conduits reported by the Commissioners of the District of Columbia as between May 1, 1897, and September 1, 1897, by the fact that the earlier report did not include the solid conduit, do you?—A. That is the Commissioners' report. It did not include the solid conduit.

Q. How do you know that?—A. Because the Commissioners' report is made up from a letter of mine to the District inspector, Mr. Allen, who is superintendent of electric lighting and has charge of the work. He asked me to furnish him a statement of the amount of drawing-in system we had, and I furnished him with the statement, and he copied my letter verbatim in his report.

Q. Copied your letter verbatim?—A. He did not copy my letter verbatim, but he took my figures as I gave them, and it did not include, nor did he ask for, the solid-system conduits.

Q. Have you abandoned those old cables?—A. Yes, sir.

Q. In what way?—A. They have been torn up. We have left them in the ground; cut them off at different points where they have interfered with the present system.

Q. But they remain there so they could be used in the future if desired?—A. They have been chopped to pieces and could not be used. They have been chopped up at different points along the route.

Q. What was the number of feet of duct contained in the old solid conduits?—A. In the neighborhood of 15,000 feet. That is only approximate.

Q. They were two-way; two-duct conduits in the main?—A. Yes; two ducts. They were ducts in one sense of the word. They had solid cables in them.

Q. Equivalent to two-way?—A. Yes, sir.

Q. How many feet of duct are there in the 8,725 feet of new drawing in conduit that you have laid?—A. I do not remember the total, but the conduit carried from a minimum of one to a maximum of eight ducts.

Q. The principal part of it is eight-way conduit?—A. No; the principal part is six and eight way conduit, just about the same proportion—about as much six duct as there is eight duct.

Q. There would be about 4,000 feet of six duct, then, would there, and 4,000 feet of eight-way duct?—A. Approximately; yes, sir.

Q. There would not be more than 725 feet of branch duct?—A. No; I think that would be pretty close to it.

Q. Do you know what the cost of the old duct was?—A. Yes, sir; I know what it was approximately.

Q. Did you lay that?—A. Yes, sir.

Q. When was it laid?—A. It was laid in 1885.

Q. That was before you became superintendent of construction?—A. Before I became the general superintendent. Prior to that time I was superintendent of construction only for the Maryland and District of Columbia division.

Q. Do you know how much it cost—that 9,000 feet of solid conduit?—A. I do not know as to the dollars and cents just what it cost, because it was never kept separately; but I know what it cost a clear running foot.

Q. How much?—A. The cables cost from $1 to $1.26 a foot, and there were two cables, and the laying of it cost 65 cents a foot.

Q. You mean the two cables cost from $1 to $1.26 per running foot?—A. Yes, sir.

Q. And the laying 65 cents?—A. The laying was 65 cents.

Q. That is from $1.65 to $1.95 per foot?—A. Oh, no; there are two cables. That would be $2.25, and it cost us on an average $3 per linear foot, and the new cable cost less.

Q. But it is more efficient?—A. Yes, sir.

Q. Much more efficient—has a greater capacity?—A. Yes, sir.

Q. What is the difference in capacity between a six-way conduit of the drawing-in system and a two-way conduit of the old system?—A. Just four ducts.

Q. But each duct has more capacity. Does not each duct double the capacity?—A. Possibly. You can put a large or a small cable in, just as you choose. We could possibly force in a big cable.

Q. But if the cables were the same size, the new conduit, if it were a six-way conduit, you would have three times the capacity of the old?—A. Yes, sir.

Q. And it cost less money, you say?—A. Yes, sir.

Mr. HEMPHILL. It would be a good idea to find out how much less.

Mr. PITNEY. Well, I will ask that then. How much less?—A. About $2,000 less.

Q. How many feet?—A. In the total work done in 1897?

Q. Two thousand dollars less on 8,000 feet or thereabouts?—A. Yes, sir.

Q. That is about $2.75 a foot?—A. Originally?

Q. No, this new conduit.—A. About $2.75, including the cable.

Q. Including the cable?—A. Yes, sir.

Q. Were the cables put in?—A. Yes, sir; we put the same number of cables in that the original conduit had in.

Q. And are the other ducts empty?—A. Yes, sir.

Q. Do you include in your $2.75 a running foot only the two cables in?—A. Yes, sir.

Q. And how much do the new cables cost put in the remaining ducts?—A. It depends on what the market quotations are.

Q. What was the capacity of the two cables you put into the two ducts of the new conduit and laid in 1897?—A. Fifty pairs and one hundred pairs—some fifty and some one hundred pairs.

Q. What was the cost at that time per running foot of 50 wire cables, or 50 pair cables?—A. Fifty pair cables about 30 cents a foot, and 100 pair cables 44 cents per foot. I do not give these figures exactly, because they are all bought by the purchasing agent. That is approximately correct.

Q. You do not suppose that the old conduit you replaced with the new drawing in conduit was worth anything like what it cost?—A. It was at the beginning.

Q. Was it worth in 1897 anything like what it cost in 1895?—A. No, sir; of course not. If it had been we would not have replaced it.

Q. It had depreciated?—A. Yes, sir; it had depreciated and had become antiquated.

Q. To what extent?—A. To the extent that it would not have furnished proper service.

Q. You could not use it at all in your business?—A. It would not give sufficient service.

Mr. DOCKERY. To what extent, represented in dollars and cents?

A. I did not understand the question.

Mr. DOCKERY. I said to what extent had it depreciated in dollars and cents?

A. It had deteriorated in conductivity to the extent we could not furnish good talking telephone service through it.

Mr. PITNEY. Had you charge or supervision of the keeping of these books that are called daily reports of construction department?

A. Yes, sir.

Q. These initials, "A. P. C.," stamped in the margin here are your initials, put on with a rubber stamp?—A. Yes, sir.

Q. Is your construction work kept in this book, or only your maintenance work?—A. I do construction work. It is kept in that book.

Q. Was there any construction work done in 1897?—A. No, sir.

Q. Then all the work that was done in 1897 under your supervision was classed as maintenance work, and charged up accordingly?—A. Yes, sir.

Q. How was it in the year 1896?—A. I do not remember. I think very little of it was done in 1896.

Q. Here is the record. Could you tell by an inspection of it?—A. By a minute inspection—an inspection for the whole year.

Q. You have no way of glancing over these reports and telling at a glance from any page whether it has included any construction work?—A. Yes, sir; if I looked carefully. I do not remember any being done.

Q. Glance over, please, and call our attention to any page or pages which include construction work. You can glance over any number of pages you please, and mention the number of each page to the stenographer as you look it over. Perhaps you might guide your search by any recollection you have of the work of that year. Can not you from memory turn to that part of the record for 1896 which will show construction work?

[The witness proceeded to examine books.]

Q. (Continued.) Here is a report of the Washington plant December 31, 1897, which Mr. Bryan has produced. It is a part of the report of Mr. Haskins and Mr. Sells, expert accountants, and Mr. Bryan, I suppose, desires to call your attention to the fact that in that report for the year ending December 31, 1897, they have reported only

a trifling amount of underground conduit construction, but they have reported underground cable construction 5,366.72 for the year ending December 31, 1896.—A. I have that here. The only other I know is building a line out to Rockville.

Q. That is on here. Toll lines to Rockville and to Baltimore, perhaps it means?—A. That is what it means. I was trying to find that.

Q. All right, just find that. We want to get an idea of how that record is kept.—A. (Examining books.) It was some time in 1896, but I do not remember just the date.

Q. These daily reports are a blotter or memorandum report, are they not?—A. Yes, sir.

Q. And they are not in the form of bookkeeping at all? Books could not be kept from them?—A. Books are kept under my direction from them.

Q. The account of material on hand?—A. No, sir; the account of material used.

Q. But no price?—A. No prices. I do not put the prices on anything either that I buy or that I use.

Q. Books of account showing the cost could not be kept from these daily entries?—A. No, sir.

Q. Give your answer now after the examination of the books.—A. As far as I can tell from a glance over the books it appears on page 230, page 264, page 65, and page 98.

Q. You intend to omit page 228?—A. Yes, sir. Page 228 is finally included in page 230.

Q. 230? What next?—A. To begin with the lower numbers, it is page 65, page 98, page 230, and page 264. I can not say that that is all there is in there.

Q. You have glanced over the whole book, have you not?—A. No, sir; I glanced over the final recapitulation on each month. That is not the book from which the charges are made. That is simply a blotter book and a memorandum book from which information is taken to make up the charge.

Q. So I supposed. What construction work is it that is mentioned on those pages that you have referred to?—A. Do you wish it by pages?

Q. Yes; perhaps you had better give it that way.—A. 65 and 98 refer to underground cable; page 230 and page 264 refer to an addition to the Baltimore and Washington line, and page 244 refers to Washington toll line.

Q. Now, Mr. Crenshaw, are you limited or guided or controlled in your expenditures for maintenance by instructions from Mr. Bryan, the president of the company?—A. All material I ask for for maintenance has to be approved by the president of the company before it is purchased.

Q. Are you not in the habit of discussing with him from time to time the amount that can be spared for maintenance work—the amount of money that can be spared—how much you ought to spend, and how far you ought to go?—A. I do not discuss with him the amount of money he has on hand, but simply the work that I consider necessary. If he agrees with me we have it done.

Q. Do you estimate from time to time the amount your work is to cost?—A. By my estimates for material.

Q. I say do you estimate——A. Only when—no, not in dollars and cents; I do not.

Q. Did you have a larger force of employees in your department in 1897 than in previous years?—A. I think the force was rather larger; yes, sir.

Q. How much larger?—A. I can not tell from memory; possibly twenty men.

Q. And how many did you have in 1897?—A. It varied from fifty to sixty-four, or somewhere in that neighborhood.

Q. And previous to that?—A. The principal number of my men are daily men, working clear days and laid off when I have no work for them to do.

Q. And you had from fifty to sixty-five under you?—A. Yes, sir.

Q. Of that number how many employed inside on clerical duties, etc.?—A. From five to six.

Q. And who were they, please?—A. By name?

Q. Yes, sir.—A. Or by occupation?

Q. By name and occupation?—A. You are referring now to 1897?

Q. Yes, sir.—A. Myself; I head the list, I believe. I have two clerks and I have a draftsman and a storekeeper.

Q. Give their names, please.—A. Beall, clerk; Hand is a clerk; my present draftsman's name is Bradford; he was fired last year and replaced; and Keifer, storekeeper, and occasionally I have had additional help.

Q. Those were in 1897 your regular employees inside of the building in the construction department, were they?—A. Yes, sir.

Q. And the remaining employees are outside men, some employed by the year and some by the day, I suppose?—A. All paid by the week——

Q. Some of them get paid whether it rains or shines, whether they work or not, I presume?—A. A few of them.

Q. Those were the foremen?—A. Those were the foremen——

Q. Have you any knowledge of the amount charged upon the books of the company for maintenance for the year 1897?—A. No, sir; I have not. I have no definite information.

Q. I want to call your attention to the printed hearings of this committee on pages 210 and 211, containing a list of the employees in the construction department, with their wages and salaries, which, according to the statement at the foot of that list, on page 211, and the statement furnished by your company, is considerably in excess of the actual amount expended for the District of Columbia portion of the service for the year 1897, for the reason that many of the employees whose annual pay in this statement has been reckoned according to the daily wage paid to them less a large amount of time which they have lost by reason of illness or inclement weather, pending such illness or inclement weather their wages stop. Tell me whether that is a correct list of the employees in your department.—A. So far as I can see, that is a correct list.

Q. Did you aid in making up that list?—A. I furnished a list from which I suppose this list was made up.

Q. Now, the total compensation of all those employees, as I take it, suppose they were employed steadily during the year, amounts to $35,393.20. Have you any recollection how much was paid them during the year 1897?—A. No, sir; I have not.

Q. I call your attention to the fact that the report of your company on the amount of salaries and wages paid for the expenses of maintenance for the year 1897 was $47,454.18, as shown in Exhibit A, page 213 of our hearings.—A. I see that.

Q. Can you explain that? Can you explain the difference between the amount called for on the list of employees on pages 210 and 211 of the printed hearings and the amount certified as having been paid on

that account as found on page 213?—A. Simply that I do not really know just what figures you include in your two statements.

Q. Statements of the company, I will say—not our statements?—A. You have a good many statements of the company. If the telephone company make the daily wage amount to $35,000, what is that taken from, just daily wage in my department.

Q. It is taken from the list of salaries and wages under the construction department, pages 210 and 211.—A. What is the $47,000 taken from?

Q. I do not know.—A. The $47,000 is made up of other maintenance outside of my department.

Q. What maintenance is included in it?—A. I do not make the statement. It is beyond my department, as I do not know.

Mr. BRYAN. Let me see where that occurs. Well, there is a great deal of maintenance besides in Mr. Crenshaw's department. In fact, all the inside work is maintenance.

Mr. HEMPHILL. All inside work is maintenance?

Mr. BRYAN. There is no construction inside. All the wages paid for putting up instruments and repairing batteries, etc., is a matter of maintenance, and that is to be added in there, and that will account for the difference between $35,000 and $47,000.

By Mr. PITNEY:

Q. How did the amount expended for maintenance under your supervision, Mr. Crenshaw, in the year 1897 compare with what was expended in the three years preceding that?—A. It was more.

Q. How much more?—A. I do not know in dollars and cents. I do not keep that. I employed more men and used more material in 1897 than in previous years.

Q. I am referring to previous years—1894, 1895, and 1896.—A. Yes, I understand.

Q. How did it compare with what you expended previous to 1894?—A. I do not remember.

Q. Can you tell me how the cost of maintenance, I mean that which came under your supervision, in the years 1894, 1895, and 1896 compared with the years preceding 1894?—A. I can not tell with any degree of accuracy. I do not remember. I do not know that I had that totaled up.

Mr. HEMPHILL. I wanted to ask if he had any solid conduit now at all.

The WITNESS. No, sir. It is lying in the sidewalk, I suppose. We legally own it, but it is of no service to us.

Mr. HEMPHILL. Do you know how much you had in 1897?

A. No, sir; only very indefinitely.

By Mr. WILSON:

Q. Mr. Crenshaw, how did the cost of the drawing in that took the place compare with the cost of the solid?—A. The place of which it took? To what period of time are you referring?

Q. You commenced taking out the solid and substituting the drawing in. How did the cost of the drawing in compare with the cost of the solid? Was it more or less?—A. The cost of the drawing in was less than the solid.

Q. That it replaced?—A. Yes, sir.

Q. Now, you said the drawing in had a greater capacity than that which it replaced?—A. Yes, sir.

Q. What do you mean by that?—A. We mean the drawing in—laying it to avoid tearing up the street; we would put in more ducts than we saw any immediate necessity for—putting in more ducts than actually required at the time.

Q. How many cables did you use in drawing in that took the place of the solid? Did you have any more cables or less?—A. Are you referring to 1897?

Q. Yes; I am referring to when you abandoned the solid and put the drawing in in its place. Did you have the same number of cables in the drawing in that you had in the solid?—A. Exactly the same number of cables.

Q. Then the difference—one moment, please, Mr. Pitney—the difference, if I understand you, is that in constructing the drawing-in plant or part of the plant you made provision for the future so as to have it in readiness when there was no demand for it, and that is what you mean by saying it had a greater ultimate capacity?—A. Yes, sir.

Mr. PITNEY. Let me get this straight. I understand Mr. Bryan to say that the substitution that had been made in cables in these conduits now under discussion was from 100 single-wire lines to 100 double-wire lines, or from 50 single-wire lines to 50 double-wire lines. Is that right, Mr. Bryan?

Mr. BRYAN. That is what I stated. I simply stated that there were the same number of cables in the drawing in that there were in the solid system.

Mr. PITNEY. I thought you went further than that, and said they accommodate only the same business?

Mr. BRYAN. I stated further than that that they would only accommodate the same number of grounded subscribers that the old would accommodate, because we could not have more than one subscriber on a two-pair circuit, because the cross-talk would make it impossible to operate if we had more than one subscriber.

Q. But it would accommodate metallic circuits instead of grounded circuits?—A. Yes, sir; if the metallic circuits were required by the subscribers.

Mr. WILSON. If there was anybody to take them?

Mr. BRYAN. Yes, sir.

Mr. HEMPHILL. Do you mean the conduits with 6 or 8 ducts in them cost no more per lineal foot for the whole thing than the solid conduit did, as I understand it?

The WITNESS. No, sir; I don't think I said so.

Mr. HEMPHILL. That is the point. What do you mean?

The WITNESS. I said the solid, including the cost of the conduit, does not cost as much as the drawing in cable.

Mr. PITNEY. What is that?

(The stenographer read the last answer of the witness.)

The WITNESS. I did not mean to say that. I intended to say that the solid-system conduit, including the cable, cost more than the drawing in cable.

By Mr. PITNEY:

Q. Do you mean now, including the two cables that have been put in?—A. Yes, sir. If I had filled them up with cables it would have cost more.

Mr. HEMPHILL. And didn't it cost more having in the ducts there?

The WITNESS. No, sir; it didn't cost as much having in the ducts.

Q. So the extra cost would come from the extra cables put in?—A. *Yes, sir.*

Thereupon, at 12.15, the committee took a recess until 1 o'clock.

AFTER RECESS.

THURSDAY, *April 28, 1898.*

JOSEPH EDWIN CRANDALL was called and sworn as a witness on behalf of the telephone company, and testified as follows:

By Mr. WILSON:

Q. Where do you reside, and what is your occupation?—A. Washington; I am the electrician and superintendent of equipment of the Chesapeake and Potomac Telephone Company.

Q. How long have you occupied that position in this telephone company?—A. Since January, 1880, the position of electrician, and as superintendent of equipment since 1886.

Q. What is the scope of your duties as electrician and as superintendent of equipment? Give us as full a statement as you well can.—A. Separately or together?

Q. First as electrician.—A. As electrician I determine the efficiency of apparatus, make electrical tests of electrical material purchased for equipment by the company, assist in formulating plans for the establishment of installation, and then testing those installations and the cables connected therewith for the purpose of ascertaining their proper electrical condition, and am generally in charge of the electrical requirements. Under that are all the testing apparatus.

Q. Now in regard to equipment.—A. As superintendent of equipment it is my duty to make requisitions monthly for all material necessary for the conduct of the plant during the ensuing month. After those requirements are made the goods are purchased—not by me—and after they are purchased it is incumbent upon me as equipment man to see that the goods are correct as to quality. Those goods are then drawn by a requisition drawn by me on the purchasing department or storekeeper.

All orders for installations of all kinds and characters are ordered to be drawn by requisitions issued by the contract department. The materials used on those jobs are specified by me. Those materials are used on the job and reported when used, the amount of materials used, and for what purpose, making in certain cases special reports where large amounts of material are used for installations of various kinds; to see that that material is properly used; to make returns at the end of each and every month as to the amount of material that I have required during the month for the requirement of my work, how it was worked, and the amount that I have in my stock, which is the equipment department, at the end of the month. That is turned back to the purchasing department.

Q. Do you see to the installation of telephones, etc.?—A. Yes, sir. My work begins where the line wire ends and where the cable terminal ends in the office; that is, the equipment is mine. The construction is not mine.

Q. Your work is on the inside of the building?—A. Yes, sir; or any exchange, any suboffice.

Q. Now I wish you would state what is the character of the material that is used in your department, as to its quality, and so on.—A. As to its quality, it is the very highest grade of material, the wire, the batteries, and materials over which the electrical circuits have to travel. The variety of material is very extreme, we using between seventy-five and one hundred different items of material in the entire work of installation, maintenance, and inspection. Inspection, by the way,

comes under my supervision; that is, the caring for the instruments by inspection.

The variety of material—that is, there is so much more material we use eight or ten different varieties of fine wires. We have to do that because of the very high standard of insulation we have to have on some wires. On some copper wire it must be covered with an insulation to withstand heat and damp effects, or even water, and other wire, all of our material, especially the wire, is made up of specifications as to its insulation, conductivity, etc., which makes it very particular material to handle. Our batteries are treated about in the same way. While of great variety, they are all of the very highest standard. Of course, telephonic currents are very feeble and weak.

Q. Something has been said this morning about these electric bells. I wish you would tell the committee about them, what kind of bells you get and where you get them and whether there is anything better than they are that you know about.—A. Electric bells or telephone bells?

Q. The magneto bells.—A. Those bells are specially made. Every part of those bells is made of the highest standard material—German silver in large proportion, because we can not use copper, bronze, or brass, due to its corrosion, finally resulting in the failure to transmit electrical currents. Those bells are wound with very high resistance copper, being wound to 1,000 ohms, which is a great many hundred feet. The magnets are of the highest quality of steel, and the magnets saturated to the extreme extent with magnetism, a soft iron coil which takes magnetism by the passage of the current and is of the very softest, finest Norway or Swedish iron. The woodwork is polished by hand, and the generator and the ringing device, that is made of the very highest grade of iron, magnetized thoroughly. Those armatures are wound with nearly half a mile of fine wire to get the higher electromotor force, because we run telephones by dynamic current.

The switch is the vital point of the bell, because the switch does one of two things—it either cuts the ringer out of circuit or cuts the telephone out of service, or vice versa. Those are adjusted with such accuracy that they must be balanced between two points in order that the weight of the telephone may restore them, so you can ring the telephone and release them when the telephone is released, the spring forcing it with severe force against the contact points, which have each of them about 80 cents' worth of platinum on them, in order that resistance at that point may not be brought into contact because of poor service. The working of the bell is all done—the bell is all grooved out and the wiring is made in the back of the bell. That is for the purpose of preventing the contact with damp places.

We can not even trust copper wire in its natural form. That wire is thoroughly tinned, carried through a process of tinning, which makes it thoroughly tough, and keeps its electrical conditions much better intact than if it was exposed to dampness, corrosion in such a case being the result. Every binding post on those poles is worth 10 to 15 cents, locked through from the back. The terminal is connected to the back of those posts to prevent any possibility of contact. Those bells were purchased—in fact, I know of no other bell except those we use that is made that way—were purchased from the Western Electric Company.

Q. I want to know whether there is any better bell than that made in the world.—A. Nothing on earth.

Q. Is there any bell equal to it?—A. Nothing on earth equal to the Western Electric bridging bell or No. 2 Chicago magneto bell.

Q. Is there any place where you can buy those bells except from the Western Electric Company?—A. Not in the United States; no, sir.

Q. Has there been any material purchased, so far as you know, for your particular department that was not necessary for the operation of the company?—A. No, sir. I might say, the reverse of that. We wait until the moment we need them until we purchase them.

Q. You do not get it until you actually need it?—A. No, sir.

Q. How many employees have you in your department? If it varies, state the variations.—A. It varies a little, Mr. Pitney; from twenty-one to thirty at the present time.

Q. Are those employees that you can pick up and utilize whenever you happen to want a man, or do you have to have men that are experienced?—A. Fifteen of that force are men that we would almost be compelled to keep or else replace them by men equally as good. The remainder of the force—there are five or six men that are what we call "wire men"—we could teach in a few months. They simply run wires and put in instruments against the wall. But fifteen of my force are expert men.

Q. Do you keep in your department any surplus men?—A. No, sir.

Q. I believe the wages that they are paid are in the record. If you know of anybody that is being paid excessive wages I would like to have you state it.—A. No, sir; I do not. They are not paid very excessively.

Q. Do you employ your men by the day or by the month?—A. Principally by the month, because there is extra work and Sunday work.

Q. Do you have to do night work ever?—A. Yes, sir; five or six in the force as well as myself. My average is thirty or thirty-five Sundays in a year and two nights in a week, usually from 7 o'clock to 9 or 10 o'clock.

Q. What is the occasion of this night work?—A. Because it is impossible to do certain work in the daytime, because of the annoyance in the department and in our own office and in lots of places where soldering could not be done or noise made or business interrupted in the daytime.

Q. Do you know of any place in any part of the department that you have been naming where the expense as to material or where the number of employees could be reduced without impairing the efficiency of the service?—A. I do not, now; no, sir. I did several weeks ago reduce our force three men.

Q. To what extent?—A. Three men, and have regretted doing it ever since.

Q. Do you know of any expenditures made in your department that were not needed to keep the service in an efficient condition?—A. No, sir; I believe there are absolutely none.

Mr. BRYAN. Will you ask him whether he knows about the necessity of this bell. He spoke about the ringing bell. I would like him to state the difference between this bell and the ordinary magneto bell, and whether he knows the cost of the new bell, and whether he knows the cost of the magnet in the market?

The WITNESS. The ordinary magneto bell, if we are to take that up, is being manufactured by everybody and sold on the market. It is really a thing that we could not touch at all. It is so much inferior that there is not a part of it that we could use. I spoke of the two bells—the bridging magneto bell and the Chicago No. 2, and I will

explain. The bells are constructed exactly alike, the difference being this No. 2 Chicago bell is a series bell. That would probably need explanation.

The ringers of that bell were wound to a low resistance, from 80 to 100 ohms, of copper wire around the ringer. It is intended that one of those bells shall go on a line, usually a grounded wire, because the question of resistance at that end, when the telephone is off the hook, does not enter into it. Its generator is probably 25 per cent less, comparatively less, than the bridging bell. The platinum, the wire with which the bell is wired, the material of the contact springs, and the binding posts are all exactly the same in both cases. That bell—I do not know just the price, but it is between $6.50 and $7.50, somewhere. I do not do the purchasing. I simply make the requisitions.

By Mr. PITNEY:

Q. Which bell do you mean?—A. No. 2 Chicago bell. The difference only between the two bells is this: The bridging bell, which is a very recent patent, controlled by the way the ringers are wound, with a thousand ohms resistance. Electrically that can be explained. We take a metallic circuit that could not use the Chicago bell on a metallic circuit of more than one station, and could not get the best results on that because of its electro-static conditions at the end of the line. The bridging bell, wound with a thousand ohms, instead of the old idea of starting a wire at this station and running it to that station, has been abandoned, because it represented every particle of the resistance of the copper and the electro-static effect of the coils of those ringers. In the bridging bell we run parallel wires, and that is put in the center of a line and one terminal is connected to one end and the other to the other. That bridging across there is 1,000 ohms. I can put ten of those on a line, so far as the talking service is concerned, without detriment to the transmission of speech. That occurs for the reason the ninth station and the first station will want to talk to each other. They call up each other.

The moment they take their telephones off the hook—putting the telephones in circuit—it reduces the joint resistance of the line to the lowest possible amount, which will be simply the resistance of the microphone, about 180 ohms. It is possible for every one of those bells to be in circuit so far as their ringers are concerned, making it impossible to injure that particular service in the event of lightning burning out one of those ringers, because it is simply a bridge across a pair of wires. The current getting there finds it open. It does not affect the passage along the line of that branch which forms the bridge. That bell differs from the first explained bell in its generating power, because it has more work to do at times than the No. 2 Chicago bell. A bridging bell will ring to a resistance of 15,000 to 25,000 ohms. In other words, it will ring 100 miles if you do not increase the power above the electrical course of its generator. All other parts of that bell are the same. This bridging bell is a more expensive bell because they put nine times as much copper wire around the ringers as they do in the first bell. It is about seven times as sensitive to responding to generating currents, because there are so many more convolutions of wire that the current is greatly intensified. I do not know just the price of that bell. The bells differ in price, I think, about 60 cents. That is the only difference between them. The framework is just the same in both cases.

Mr. PITNEY. You have explained the difference technically. You had better explain it popularly.

The WITNESS. The difference there would be that the best service in the world must have that best bell on it. Nothing else is as good as that particular bell.

Q. Which is the particular one that is the best?—A. The bridging bell on the metallic circuit service.

Q. And the other you call what?—A. The series bell. We only handle the two bells. There are lots of others that might meet lots of telephonic requirements, but we can not use them on metallic circuit work, and we do not even use the bells that we formerly used—a bell manufactured by Post & Co., by Davis & Watt, and Williams, all those being replaced by a higher grade of bell, particularly because of the telephonic contact being so poor in switching, and because bronze and copper and brass were used in those bells instead of German silver.

So this company, and in fact all telephone companies of importance, have abandoned those three bells that I have just stated, because of their inferior construction, and they were not much cheaper to us, because they had the same arrangement of generator, not so powerful, so popularly we are compelled to use the best bell to obtain the best results. That bell costs pretty near as much to maintain, because it is used as freely as any other piece of mechanism, although it will last longer than the best bell we ever got prior to this.

Mr. BRYAN. Have you examined the bells that are in the open market at any time, and to what extent, to see if they would not answer the purpose of the company at a less price?

The WITNESS. Yes, sir; I have examined several bells. I have examined bells made by the Viaduct. They would signal a subscriber all right or drop a drop, but electrically I could not use them. There are no properly run telephone companies which use them. There are bells of the character I have described made by several concerns. I have found them in use on certain lines, but those bells I could not guarantee to work electrically for thirty days.

By Mr. PITNEY:

Q. How long have these bridging and series bells of the Western Electric Company been in use?—A. I had some of the No. 2 Chicago bells which have been in use for five years. In that time they probably had remagnetized their magnet, and they had to change a switch. Certain little things like that are done to them, but the bell in the main ought to last without repairs for a couple of years, and then they begin to fail in certain particulars. The switch gets loose, the trunnions get loose, the generator maget may begin to weaken, possibly the generator spring that shunts may have a hole worn through it, but those bells will run. I have some of them that have been in the same place four or five years.

Q. When were they first introduced?—A. We first began to use the Chicago bell in 1888 or 1889, and the bridging bell in 1889 or 1890.

Q. What bell have you here in this room?—A. We have remodeled all our bells with the contact springs to suit our requirements. That bell there is an original Davis & Watt bell. The Davis & Watt bell when built under our specifications was a very superior bell. They have not manufactured any bells—the telephone people—since 1888 or 1889. They have been manufacturing bells for sale everywhere. We have not purchased a bell from them since 1888 or 1889. The time they made their bells, and were licensed to do so, they turned out a good bell, and so can anybody. It is not because the Western Electric Com-

pany can do better work than other people entirely, but it is because they maintain a specification that is so perfect electrically.

Q. Is any essential part of their bell that they furnish covered by patents?—A. Yes, sir.

Q. What part?—A. Now, I do not know exactly which part. The bridging circuit is covered in an entirety, but just what part of the bell it takes in I do not know. The last switch, the switch we are using now, is a patent of 1887 or 1888 taken out by the Western Electric Company in 1888, by Mr. Scribner, I think. That is covered. That is that end switch hung suspended in the center between two pivots. The bridging circuit is rather a new thing. That has existed since 1888 or 1889.

Q. Can you tell how long this bell has been in place in this committee room by looking at it?—A. No, sir; it is pretty hard to tell that.

Q. More than ten years?—A. Oh, no.

Q. I understood you to say that they had not been made for ten years?—A. Well, we have remodeled lots of them. I did say so, but I said we had remodeled the Davis & Watt bell and the Post bell—all we still have out. We would have to throw away several thousand bells if we did not remodel them. This bell was remodeled in 1892, this style of bell. That is the switch which I have just explained. The switch on the original Davis & Watt bell is up here on the side. The telephone hangs up there. This is a remodeled bell. It has a double-strap generator. The generators were only single strap, and we doubled them. It has only had two magnets.

The strength was hardly sufficient to do ringing more than 2,000 or 3,000 ohms, and we put a double magnet here. That doubled its electromotive force. We increased this from a three-eighths magnet here to a five-eighths magnet, took out a little switch that had poor contacts there—that represented only 11 ounces by pressure—and put in these long switches with back contact there, representing about 17 ounces. So when that is hung up it threw hard against there [indicating]. The other way, the spring that operated the switch would only be enough to overcome the weight of this. These were remodeled in 1892—that is, we began in 1892 and remodeled all our Davis & Watts in 1892, and are still remodeling the Post. We bought about 5,000 of those.

Q. Of which?—A. The Davis & Watt bell. This is a grounded wire here. Not a very long wire. You are dropping the drop—our drops are very sensitive, and you only have to have at the terminus of this line about 2½ volts to drop our drop. It will send out a current strong enough to drop a drop on the first ring or half of the ring.

Mr. BRYAN. That is a half turn of the crank?

The WITNESS. Yes; changing the polarity twice every turn. The entire polarity is changed there about four times positive to negative.

Mr. WILSON. I was going to ask something about the machinery there that you gentlemen saw. I want to know whether that machinery is essential, and whether any of it can be dispensed with.

The WITNESS. None of it can be dispensed with. The chances are that we will have to add to it. Every subscriber is duplicated there twelve times in order to put him in multiple connection with every other subscriber.

Q. I was going to ask whether there are any appliances in use in the telephone business that you know anything about that are superior to what the Chesapeake and Potomac Telephone Company employs in its business.—A. Nothing in the history of telephone business. I might say we are a little ahead of some other places in our department service.

Q. Is there any better used by any company than you are using?—A. Nothing better on earth.

Q. Tell the committee what you know about switch boards.—A. It is a pretty big history.

Q. Well, is there any better switch board in use than the one you use?—A. No, sir; I might say in passing that we put in a system in 1887—we changed rather to a multiple switch board in 1887. It was the best thing known to the telephone art. That was known as the multiple-series switch board. It was the most perfect and best electrically constructed thing on earth at that time. In 1892 the bridging patents were taken out, the multiple-bridging switch boards or branch terminal boards which were the bridging type, the first patents used in the bridging system switch boards or instruments. The switch board put in in 1887 by very careful attention and care was in mighty good shape, so far as wear and tear was concerned, in 1893.

The great number of spring jacks, as I said, we had to every subscriber. At that time we had eleven spring jacks, and each one of which was liable or certain to have its certain amount of wear and tear, because every operator in the service might go into that multiple jack once or fifty times a day. She only answered her regular call in her answering jack, and no other operator can touch that answering jack, but every subscriber is in multiple with every other subscriber. That is our board as arranged in hundreds. It is so arranged that it is possible for every subscriber to be gotten in the reach of 36 inches by the operator. Two thousand subscribers can be controlled by one operator. You understand, the operator only answers one hundred. The line comes in and passes through the first multiple, and goes through the whole series of multiple jacks of that same number and returns to its respective number. So when you telephone you drop your own drop and she answers you in her own answering jack. But any one of the others could find out whether you have called or could get you in one section of that multiple, which makes it possible for every operator to control 2,000 subscribers in the reach of 36 inches.

That board was in good shape, so far as wear and tear was concerned, but these spring jacks, due to severe use, were not in such good order. They plug in one against another and those plugs wear out. We had to change those plugs on that account. It became necessary for them to hug completely, because that represented the two ends of the circuit. By constant wear those spring jacks became a little bit worn, and those cords; plugs were attached to the cords, and on that cord is hung an 11-ounce weight. The wear became so great that even the weight of that weight hanging on the cord would have a tendency to raise or lower the plug. That made constant trouble, a variation of contact which caused a variation of talk and very much of a complaint by the subscribers. That is what brought up the switch-board idea, and in 1894 we took out every particle of that switch board—not because it was worn out, because the jacks might have been replaced, but because with the bridging board it made it impossible for one man's trouble, or for one spring jack to make trouble for the other fifteen that we have now.

So the new board was put in at the expense we paid for that simply to get rid of one principal trouble, that trouble being that one spring jack in the series would make it impossible for the other eleven series to get that one person. So it gave every person eleven troubles instead of one. So we took that board out completely. It was only installed in 1887, but we took it out or began to take it out in 1892. I went right

to work making plans for the new board, and that is the board which is there now, which is a perfect bridging system. In other words, we take a pair of wires at the beginning of the board and run them clear through. We put in this bridging board, and that is a perfect thing, the most perfect thing on earth to-day, because the troubles are settled at one point. One man's trouble can not possibly result in trouble for him anywhere else in the board. They do not bear each other's burdens on the switch board, although it is just as flexible and every operator has just as many subscribers in the reach of 40 inches. She can reach 3,500 subscribers from her position.

Mr. PITNEY. When was your new switch board put in?

A. July 8, 1894. We began in 1892 to make plans, and we were two years getting there.

Q. Did not you put in the new switch board last year? A. In Baltimore; yes, sir. We added to this switch board in 1897. This switch board was put in in July, 1894.

Q. I make that inquiry because I understood from Mr. Haskins that the addition to the construction account in 1897, as returned on the expert's report, was represented by the difference in cost between an old board removed and a new board removed during the year 1897.

Mr. BRYAN. Those accounts are sometimes held open because of disputes, and sometimes they run along for a considerable time. How long it ran in this case I do not know, but I have known accounts to be open for two years because questions have arisen as to the propriety of certain charges.

Mr. HEMPHILL. Whom did you get that from—this switch board?

A. The Western Electric Company.

Q. How much did you have to pay for it?—A. I do not know the price. I think it cost between $27,000 and $30,000. That is only a guess, however. They run about a thousand dollars to the board—one hundred.

BERNARD L. NEVIUS, Jr., called and sworn as a witness on behalf of the telephone company, testified as follows:

By Mr. WILSON:

Q. Where do you reside, and what is your occupation?—A. No. 1214 Twelfth street NE. I am known as the chief operator of the Chesapeake and Potomac Telephone Company.

Q. How long have you been in that position?—A. I do not know the exact date—probably sixteen or seventeen years. I have been in the employ of the company for a somewhat longer period. I began with the telephone in Washington. I was the first operator in the Washington exchange, and kept the position, and then became test operator, and then as chief operator.

Q. You are in the operating room?—A. Yes, sir.

Q. That is where the switch board is?—A. Yes, sir.

Q. And how many employees have you there?—A. On the pay rolls there are 36 employees, 36 of whom are operators—no, not 36 operators. Let me see. There is myself and a janitress and clerks and an assistant chief operator. Those are the ones who are not included in the number as operators.

Q. How many hours a day do your operators work?—A. Eight and one-half hours a day, having a half hour for luncheon—eight hours net.

Q. How many do you keep employed at night?—A. After 10 o'clock we have but three young men, who work until 7 in the morning. Of course, the hours of the operators during the day are arranged to suit

the business, much in the way they arrange a railroad time-table. So we have a full number of operators, a board manned in full from 9 o'clock in the morning until half past 3 o'clock in the afternoon. From that time we begin to decrease the number of operators, so that along about 6 o'clock we have eight or nine, and decrease the number every hour after that, until between 9 and 10 o'clock there are but four.

Q. Until morning, then, there are four?—A. But three after 10 o'clock.

By Mr. PITNEY:

Q. How do they manage?—A. Owing to the multiple system an operator can stand at any switch board in the room and take care of the number of calls that is made so long as there are not too many. That is to say, she can stand before one switch board and keep an eye on the drops around the room, and if the calls are not too frequent she can take care of all the calls that come in from where she sits.

Q. Although the drop does not come in on her own board?—A. Yes, sir; that is owing to the fact that it is a multiple system. You know on each section, embracing 300 drops, we have spring jacks representing the entire number of lines. In other words, 200 drops on the face of one board, and she can answer any one from that point.

Q. Anyone can make an exchange between any two subscribers?—A. Yes, sir.

Q. But she does not receive the calls from her own board?—A. Yes, sir.

Q. And puts the plug in on her own board?—A. Yes, sir.

Mr. WILSON. I want to know whether you have any more operators there than are necessary for the business.

The WITNESS. No, sir; I don't think there is one more operator there than is absolutely necessary. I give a great deal of attention to that, and always have to run the exchange in the most economical manner.

Q. Do you know anything that could be done in that operating room to decrease expenses, at the same time maintaining the present efficient service?—A. No, sir; I know of nothing that can be done to make any improvement in that line.

By Mr. PITNEY:

Q. Let me ask a practical question, although it may not have any bearing on this investigation, as a good deal of the evidence does not seem to have. Does operator No. 1 take care of all calls coming from subscriber No. 1 to subscriber 200 or 300, say, or whatever the number may be; or do the numbers whose calls a certain operator receives—are they grouped otherwise than serially? That is what I am getting at.—A. You take the first section of the switch board, for instance, the line represented there would number from 1 to 100 in succession. The adjoining section of the switch board, the adjoining section of drops—there being three sections of drops on the board—would follow, from 101 to 200. So you see we run along in succession.

Q. The first operator takes care of the drops up to what number?—A. Up to 100, and the second operator the second 100 drops.

Q. Does it not often happen that the calls from telephones from No. 1 to No. 100 may be very much more frequent or very much less frequent, as the case may be, than the calls from telephones numbered from 300 to 400, for instance?—A. That is a matter we have to give attention to as the exchange grows. That is one of the things I must have in view—to give to all the operators in the room as near as may be an equal amount of work, by regulating the thing and putting in a certain number of business stations and a certain number of resi-

dences in each of these sections, assuming they will make somewhere near an even number of calls. If by that method we fail to get an exact adjustment, if the record of the calls taken periodically indicates that one operator has more than she should have, we have an intermediate board on which the wires may be exchanged without disarranging the exchange or without changing the subscribers' numbers. In that way we can even up the work between the operators.

Mr. WILSON. I have a couple of letters here which I want to put in evidence.

Mr. PITNEY. What are they?

Mr. WILSON. One is from the general manager of the telephone company in Cincinnati and the other is from the general manager of the telephone company from Brooklyn in relation to their purchases from the Western Electric Company.

Mr. PITNEY (after examining letters). Well, in what point of view is this material?

Mr. WILSON. I think it is material for this reason, that there has been a good deal said here about making purchases from the Western Electric Company, about this company buying its supplies from that company, and it has been said here, or intimated, that that was because the American Bell Telephone Company had a controlling interest, or owned, or something of that kind, the Western Electric Company. I want to show that this company is doing exactly what every other company in the country is doing, buying their supplies there because they can get them cheaper there than anywhere else.

Mr. PITNEY. The question whether this company buys its supplies at reasonable rates is important——

Mr. WILSON. I think it is important. But how is it important for us to know whether the Cincinnati and Suburban Telephone Company of Cincinnati or the New York and New Jersey Telephone Company buy their supplies at best rates or buy them from a certain company? It is important in view of what I have just mentioned. There seems to be a persistent suggestion here—it has come from Mr. Hemphill and Mr. Birney constantly—about our buying from the Western Electric Company. Now I say that we are doing in that regard just what other companies do, and we are doing it for the same reason that other companies do it, and that is because we are trying to buy where we can get supplies the cheapest and best.

Mr. BRYAN. Those letters were obtained by me because those were two companies. The Cincinnati and Suburban Company was known to me as not being controlled by the American Bell Telephone Company. The American Bell Telephone Company only owns 30 per cent in the Cincinnati company, and yet the latter company buy their supplies from the Western Electric Company because they can buy them from that company more advantageously than they can purchase elsewhere. It is simply in refutation of the statement or intimation or insinuation made here repeatedly that because of the fact that the Bell Telephone Company control the Western Electric Company and control this company that therefore we were compelled to buy our supplies there whether we desired to or not. I only present these letters to show that the companies not controlled by the American Bell Telephone Company pursue the same course that we do; that they buy their supplies from the same place.

Mr. PITNEY. I am perfectly willing to be guided by my colleagues.

The CHAIRMAN (Mr. Grout). What is it?

Mr. PITNEY. They desire to submit communications, one from the

New York and New Jersey Telephone Company, whose headquarters are at Brooklyn, and another from the Cincinnati company, showing that they buy supplies from the Western Electric Company, although they are not controlled by the American Bell Telephone Company.

Mr. HEMPHILL. It is stated that 30 per cent of the stock in one of the companies only is owned by the American Bell Company.

Mr. PITNEY. Yes; and less than a majority in the other company.

Mr. HEMPHILL. I believe it is conceded that it owns a majority of the stock in this Western Electric Company?

Mr. BRYAN. I do not know about that, but we only mean to say that the insinuation has been made here that we were directed or controlled in our movements by the American Bell Telephone Company. That is in the record.

The CHAIRMAN. What was the statement made in the record with reference to your company being improperly influenced by this other company—what was the statement?

Mr. WILSON. Mr. Hemphill and Mr. Birney have both made the statement over and over again.

Mr. HEMPHILL. I think we gave it that our information was that they did purchase from the Western Electric Company.

The CHAIRMAN. It seems to me that the evidence might as well be admitted. It shows the two companies uncontrolled by the American Bell Telephone Company buy a majority of their stock from this other company, and how much significance there was to the fact that this company, the Chesapeake and Potomac Company, buy of the Western Electric Company does not appear. It does not seem as if there was much to that.

Mr. HEMPHILL. I do not make any objection.

Mr. PITNEY. I do not object, but I do not see that it has any particular bearing.

The CHAIRMAN. No; unless we credit the insinuation which they feel has gone out, that because the Bell Telephone Company owns a majority of the stock they are buying their supplies from the Western Electric Company, which would look like a wheel within a wheel, although it may be all straight.

Mr. PITNEY. Let it go in.

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
Washington, D. C., March 25, 1898.

THE CITY AND SUBURBAN TELEGRAPH ASSOCIATION,
(G. N. Stone, Esq., General Manager),
Cincinnati, Ohio.

DEAR SIR: The capital stock of this company, as you are perhaps aware, is controlled by the American Bell Telephone Company, and from various sources, during the Congressional investigation now in progress, it has been intimated that advantage has been taken of this fact by this controlling interest to compel us to buy at extravagant prices most of our supplies, electrical and otherwise, from the Western Electric Company, which concern it is alleged the American Bell Telephone Company also owns or controls.

In order to aid me in setting this company straight before the Congressional committee, I should like to be informed, provided it will not embarrass you to impart this information, first, whether a majority of the stock of your company is held or controlled by the American Bell Telephone Company, and second, whether the major portion of your supplies, electrical and otherwise, is purchased from the Western Electric Company.

A prompt response to these questions will be very much appreciated by me.

Yours, very truly,

_____,
President and General Manager.

[The City and Suburban Telegraph Association, licensee of the American Bell Telephone Company. Telephone Building, northeast corner Vine and Baker streets.]

CINCINNATI, *March 28, 1898.*

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
(Samuel M. Bryan, Esq., President,)
Washington, D. C.

DEAR SIR: I beg to say, in reply to your favor of the 25th instant, the American Bell Telephone Company owns 30 per cent of the capital stock of this company. We purchase our supplies from the lowest best bidder. The Western Electric Company, of Chicago, has furnished all our underground cable and most of the other material we use, for the simple reason they have been able to furnish all such supplies at a slight reduction over all other competitors.

Very respectfully,

G. N. STONE, *General Manager.*

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
Washington, D. C., March 25, 1898.

The NEW YORK AND NEW JERSEY TELEPHONE COMPANY,
(W. D. Sargent, Esq., Vice-President and General Manager,)
Brooklyn, N. Y.

DEAR SIR: The capital stock of this company, as you are perhaps aware, is controlled by the American Bell Telephone Company, and from various sources, during the Congressional investigation now in progress, it has been intimated that advantage has been taken of this fact by this controlling interest to compel us to buy at extravagant prices most of our supplies, electrical and otherwise, from the Western Electric Company, which concern it is alleged the American Bell Telephone Company also owns or controls.

In order to aid me in setting this company straight before the Congressional committee, I should like to be informed, provided it will not embarrass you to impart this information, first, whether a majority of the stock of your company is held or controlled by the American Bell Telephone Company, and, second, whether the major portion of your supplies, electrical and otherwise, is purchased from the Western Electric Company.

A prompt response to these questions will be very much appreciated by me.

Yours very truly,

——— ———,
President and General Manager.

THE NEW YORK AND NEW JERSEY TELEPHONE COMPANY,
Brooklyn, N. Y., April 8, 1898.

CHESAPEAKE AND POTOMAC TELEGRAPH AND TELEPHONE COMPANY,
(Mr. Samuel M. Bryan, President,)
Washington, D. C.

DEAR SIR: Replying to your inquiry, I beg to say:

First. That the American Bell Telephone Company does not own a majority of the stock of this company.

Second. We buy more material from the Western Electric Company than from any other concern.

Very truly, yours,

W. D. SARGENT,
General Manager.

Mr. WILSON. I have here the report of the Interstate Commerce Commission I referred to on page 80, which is a summary showing the proportion of earnings from operation assignable to passenger and freight service and the percentage of operating expense to operating income, by groups. It shows, in substance, that the percentage of operating expenses to operating income, running through a series of years from 1886 to 1890, varied from 67 per cent, say from 65 per cent, to 68.14 per cent. I would like the whole table to go in evidence.

Summary showing the proportion of earnings from operation assignable to passenger and freight service, and the percentage of operating expenses to operating income, by groups.

[Extract from the Report of the Interstate Commerce Commission for the year ending June 30, 1896.]

Territory covered.	Earnings from operation.				Percentage of operating expenses to operating income.						
	Passenger.	Freight.	Other.	Unclassified.	1896.	1895.	1894.	1893.	1892.	1891.	1890.
	Per ct.	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Pr. ct.*
Group I	46.72	52.37	0.89	0.02	69.95	68.27	69.33	69.97	69.58	69.50	67.76
Group II	27.13	70.45	2.41	.01	66.53	66.03	65.66	65.87	65.36	64.49	64.92
Group III	27.92	70.18	1.90	.....	71.89	70.84	73.04	71.84	70.43	69.33	68.36
Group IV	27.46	70.74	1.69	.11	68.49	69.50	71.03	69.40	68.57	66.67	67.44
Group V	28.27	69.04	2.41	.28	68.93	68.30	67.76	71.52	70.16	68.95	66.29
Group VI	25.70	70.69	3.51	.10	60.80	62.78	63.65	64.69	62.84	64.16	63.98
Group VII	26.13	71.72	2.15	.....	65.03	68.17	68.44	64.58	61.78	63.57	58.64
Group VIII	26.21	69.89	3.88	.02	69.70	70.38	71.99	68.59	66.73	69.26	64.43
Group IX	25.86	72.23	1.91	(a)	76.77	71.28	76.47	75.70	78.42	77.90	75.70
Group X	33.26	64.61	2.13	.....	66.55	70.03	67.93	64.98	63.54	63.62	66.32
United States	28.74	68.73	2.48	.05	67.20	67.48	68.14	67.82	66.67	66.73	65.80

a Less than 0.01 per cent.

C. F. LUDLAM, called and sworn as a witness in behalf of the telephone company, testified as follows:

By Mr. WILSON:

Q. Where do you reside and what is your occupation?—A. New York City; certified public accountant.

Q. How long have you been an accountant? And state what experience you have had.—A. I have been in the general accounting business for sixteen years. I have been a certified public accountant for three years. I have kept books and been auditor of railroad companies, telegraph companies, construction companies, mining companies, land companies, and irrigation companies.

Q. State whether or not you assisted Mr. Haskins in the examination of the books of the Chesapeake and Potomac Telephone Company, in the preparation of the tables that were furnished with the report that Mr. Haskins made to the telephone company, and about which he has testified before this committee.—A. Yes, sir.

Q. How long were you on that work?—A. About three weeks.

Q. You were his assistant in that matter?—A. Yes, sir.

Q. Please state to the committee whether the tabulated statements that you have made are accurate as appear from those books.—A. Yes, sir; they are.

Q. And state whether or not the matters set forth in that report that was signed by Mr. Haskins or Haskins & Sells is an accurate statement of the facts deduced from those books.—A. Yes, sir; it is.

Q. In the matter of the charges to maintenance, state whether or not the charges have been properly made in your opinion.—A. Yes, sir.

Q. And the charges to construction?—A. Yes, sir.

Q. And the charges to general expenses?—A. Yes, sir.

Q. I wish you would state to the committee as well as you can, and without being too elaborate about it, how carefully and accurately you made this examination.—A. For the years 1896 and 1897 we traced back all receipts and expenditures to the original sources, verifying the same by the vouchers.

Q. About the other years, what did you do?—A. For 1894 and 1895 we took the figures as shown by the books of the company, changing

the distribution to agree with the distribution we had established for the years 1896 and 1897.

Q. Did you make any investigation for the purpose of satisfying yourselves that for those years the charges were all right?—A. Yes, sir; in a general way. The examination and verification for the years 1896 and 1897 convinced us that the figures as shown by the books are correct.

Q. In those tables we find the cost of operating telephones is stated at $70 and a fraction, I believe, under one condition, and $74 and a fraction under another condition. State whether or not that was an accurate statement of the cost.—A. Yes, sir; that is an actual statement of the cost as shown by the books and records and accounts of the company.

JOHN A. TOMPKINS, called and sworn as a witness on behalf of the telephone company, testified as follows:

By Mr. WILSON:

Q. Where do you reside?—A. Baltimore.

Q. What is your occupation?—A. Manager of trust estates and expert accountant.

Q. How long have you been engaged as an accountant and what experience have you had?—A. For twenty-five years, and in the investigation of railroad companies, both steam and street, gas companies, and other corporations, representing committees of reorganization and underwriters.

Q. Are you the Colonel Tompkins who made an investigation of the Chesapeake and Potomac Telephone Company's books two or three years ago?—A. I am.

Q. And made a report on the subject?—A. The report was made to a commission appointed by the State of Maryland for the purpose of investigating the affairs of the Chesapeake and Potomac telephone and the cost of the service in Maryland.

Q. Since Mr. Haskins and Mr. Ludlam have been engaged in the examination of the company's books, within the past three or four weeks, have you made any investigation yourself?—A. I have.

Q. Have you made any examination of the report made by them?—A. I have, and verified the figures as given by them from the books of the company.

Q. State whether the same are correct.—A. The statements as made by them are correct. The statements for the years 1894 and 1895 were verified by me, not only from the books of the company, but I have made a personal scrutiny and examination of all the vouchers of the disbursements during those years. The report for 1896 I verified the figures from the books. For 1897 I verified the figures as given by them, and I had made prior to their examination an independent audit of the entire business of the company at the request of the company. That examination included the examination of all vouchers for disbursements, distribution, receipts, and everything appertaining to the business of the company, even to the verification of its stock ledgers and transfers.

Q. What have you to say as to whether or not the items charged to maintenance are properly so charged and to construction properly so charged?—A. From the investigation and scrutiny of the vouchers that I made I am satisfied that all those charges have been properly made.

Q. And general expenses, how do you find that?—A. The distribution of general expenses is properly made.

Q. Did you have any occasion to make any investigation as to the proper division of these expenses as between District of Columbia plant and the Maryland plant?—A. You mean general expenses?

Q. No; I am speaking of the proper division of expenses for construction, operation, maintenance, and all that.—A. The distribution as between the two divisions of the company is very carefully made by me, going back to the original vouchers and, in many instances, to the original bills, especially in the examination made in connection with the Maryland State commission, to see whether there had been a proper distribution of expenses and to locate the expenses as between the State of Maryland and the District of Columbia, and in the examination of 1897 I followed the same course.

Q. Did you make any special examination or give any special attention as to the cost of telephone service in the District of Columbia?—A. I did.

Q. What did you find that cost to be?—A. The cost as stated in the report of Messrs. Haskins & Sells is correct. In making up the figures I worked on a little different line from them and the results did not differ 2 cents.

By Mr. PITNEY:

Q. For what years did you compute the cost of the service per telephone in the District of Columbia?—A. 1894, 1895, 1896, and 1897.

Q. When did you do that?—A. Within the last four or five weeks.

Q. What account did you take of the depreciation of plant in computing that expense?—A. There was no allowance for depreciation. I think there should have been an allowance. There should be an allowance for depreciation in all manufacturing concerns.

Q. That depends largely on how the maintenance and construction account is charged, does it not?—A. To a certain extent it does; but there is no manufacturing plant that I have ever seen—and I have been a manufacturer myself—where there was not a depreciation that would not be covered by what is termed maintenance.

Q. That depends largely on whether they are expending money for maintenance to such an extent as will yearly improve the plant or not, does it not?—A. If they are expending money which is properly chargeable to construction, charging it to expense account, if that is in excess of the ordinary depreciation, there would be no depreciation allowance; but, on the other hand, if you have portions of the plant that you can not see, and that go to pieces, and improvements and machinery, you have to throw out plant and substitute new material of that kind, that should be covered by an allowance for depreciation of plant.

Q. In your estimate of the cost per telephone of the service in Washington, what disposition did you make of the sinking-fund charges?—A. They are a part of the expense of the company, growing out of borrowing money the same as interest charge.

Q. And when you pay off the principal you charge that to expense, do you? I mean the contributions of the sinking fund to the principal amount of the bond charge. Do you charge that in the expense?—A. The sinking fund I should charge to expense the same as interest.

Q. On what theory?—A. On the ground that in order to float the bonds it is necessary to make the sinking-fund contribution to make

your bonds good, and it is a debt incurred and which has to be paid the same as any other debt.

Q. Of course. Now, suppose you paid the whole principal of the debt in one year; would you charge that to expense?—A. Not for that year.

Q. Suppose that you paid the whole principal of the debt in two years; would you charge that to expense?—A. No, sir; I should distribute it over what would be considered a fair time.

Q. If you are going to charge the sinking-fund contribution, if it extends over, say, twenty years, if you are going to charge that all to expense, you will charge off the whole bonded debt. Is that right?—A. Yes, sir.

Q. Then you are pursuing a process exactly parallel to that which would result if you charged off your capital stock?—A. Yes, sir; if you create a sinking fund for the retirement of your capital stock.

Q. Would it be proper to create a sinking fund for the retirement of your capital stock?—A. I should not charge my capital to expenses.

Q. Why not?—A. Borrowed money and capital I look at as two different things.

Q. But for the purpose of constituting a charge upon the business of the company they are the same thing, are they not?—A. It depends upon the character of the loan to a certain extent, I think. If by the creation of a sinking fund you put your bonds out at a better price, you get a larger amount of money for the same ultimate payments. On the other hand, if you do not have the feature of the sinking fund you have to pay in the end a much larger sum than you would have to pay with a sinking fund, and I think the charge of the sinking fund is very much the same as the charge of the interest of the bonds. In other words, you are paying a higher rate of interest and wiping out your bonded debt.

Q. You are paying a higher rate of interest. Of course you do not mean literally. You mean to say you are paying an annual contribution to the principal?—A. Yes, sir.

Q. On the same theory that is adopted by a man who goes in a building and loan association?—Yes, sir.

Q. He pays double interest and finally does not have the principal to pay?—A. That is it.

Q. By charging the sinking fund to the expense account you are calling upon the subscribers to pay telephone rates in this instance—to pay not only the expense of running the telephones, but the expense of installing the plant, leaving the company the possessor of the plant in the end?—A. Yes, sir; and at the same time depriving the stockholders of dividends.

Q. Yes; and accumulating for them a larger net capitalization, are you not?—A. You are borrowing money and paying it off.

Q. Borrowing money to improve the plant and paying it off out of the expenses?—A. Out of the earnings.

Q. If you have charged the principal of the debt to current expenses, I suppose we have got your views on that subject. If you take out the sinking fund charge from the cost of the telephone service per telephone, what would be the difference? You need not stop to compute it. It would be $8,000 per annum divided by the number of telephones, would it not?—A. It would be about $4.35.

Q. Per telephone?—A. Yes, sir; per telephone.

Q. You said that you made some investigation into the capital stock contributions, I believe.—A. Yes, sir.

Q. What examination did you make?—A. An investigation of the accounts on the books, what the books told. That is the only investigation that could be made.

Q. Will you give us the result of your investigation, your examination of the books?—A. It is in the report, so far as Maryland is concerned.

Q. We are not confined to Maryland in our investigation.—A. That part of the capital stock for Washington is stated in Haskins & Sells' report, and I verified the figures of that report.

Q. You have no information about the contributions to the capital stock except what appears on the books?—A. That is all.

By Mr. HEMPHILL:

Q. You put down the old plant in Baltimore at $300,000? That was an estimate, as I understand it, based on the statement of some other party?—A. The books of the Baltimore company, the original Baltimore company, were not in the possession of the present company, and in arriving at that I had talks with Mr. Davis, who had been, I think, the president of the old company—the old concern; Davis & Watt were builders of either the original company or [pause]—I am not sure, but I think there were two companies—Davis & Watt were, one or the other, in both companies, and the information I got from Mr. Davis was as to the amount they had paid out, and then I got information from electrical engineers, taking the number of subscribers in Baltimore, and as nearly as I could ascertaining the number of miles of wire they had put up, and the estimate was that there must have been about $300,000 expended there by those original companies. It had practically bankrupted Davis & Watt at the time.

Q. What it was worth at the time you do not know?—A. No, sir; they had sold out and said they had closed the account.

Thereupon, at 3.30 p. m., the committee adjourned subject to call of the chairman.

TUESDAY, *May 3, 1898.*

In compliance with requests made by the committee at its session April 28, the following was this day received from Mr. S. M. Bryan, president of the Chesapeake and Potomac Telephone Company:

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
Washington, D. C., May 3, 1898.

Hon. WILLIAM W. GROUT,
Chairman Select Committee, House of Representatives, charged with making inquiries concerning telephone rates, District of Columbia.

DEAR SIR: In accordance with the understanding had with your committee on the 28th ultimo, I have had prepared, and beg to submit to you herewith, a statement of the accounts of this company, prepared by Messrs. Haskins & Sells, for six years, embracing 1892 to 1897, both inclusive; this in addition to the statements heretofore submitted to you. This additional statement will afford your committee an opportunity of making a comparison and ascertaining the averages for the past six years, instead of limiting you to four years.

I also beg to hand you the copies of the annual reports asked for, embracing the years 1892 to 1897, both inclusive.

I have the honor to renew the request contained in my letter addressed to you under date of March 26 last, with respect of the employment by your honorable body of an expert, or experts, to show whether or not the materials used by this company are such as are required to give first-class service; whether the prices paid by the company for such materials are excessive or otherwise; whether the number of persons employed is, or is not, greater than the rendition of efficient service

requires; whether anything has been done or any expenditures made that have not been required to maintain such service; and generally to investigate and inform the committee as to whether the company has, or has not, been expending money in maintaining and operating, that the needs of the business did not require, and I beg to add to this a request that you secure testimony from competent experts of your own selection in respect of the question as to the statement, now generally accepted as correct, that the cost per telephone increases as the number of telephones in any one locality or city increases.

If it is entirely agreeable to you and the other members of the committee, I shall be very glad, so far as the presence of any of the officers and employees of this company may be required, to have the hearings resumed at 10 o'clock, a. m. to-morrow (Wednesday), or at such other time as will best suit your pleasure and convenience.

I have the honor to be, sir, yours, very respectfully,

SAM'L M. BRYAN,
President and General Manager.

WASHINGTON, D. C., *May 3, 1898.*

Mr. S. M. BRYAN,
President The Chesapeake and Potomac Telephone Company, Washington, D. C.

DEAR SIR: In accordance with your instructions we have drawn off from the books and records of your company the figures covering the operations of the Washington plant for the years 1892 and 1893, and have classified and consolidated the same with the figures previously given you for the years 1893, 1894, 1895, and 1896. We beg to hand you herewith, in relation thereto and as supplementary to our report of April 11, 1898, the following statements:

Exhibit A.—Earnings and expenses for the six years ended December 31, 1897.

Exhibit B.—Income account for the six years ended December 31, 1897.

Exhibit C.—Profit and loss account for the six years ended December 31, 1897.

Exhibit D.—Earnings and expenses per telephone for the six years ended December 31, 1897.

The receipts from exchange service, as shown by Exhibit D, have averaged for the past six years $177,360.80 per annum, or $97.26 per telephone, and the total expenses of the exchange service have averaged during the same period $121,387.21 per annum, or $66.57 per telephone. Other income, such as private line rentals and extraterritorial and miscellaneous revenue averages for the same period $15,946.61 per annum, making the total average receipts $193,307.41 per annum, or an average of $106.01 per telephone. The expenses of the business outside of the exchange service, to wit, private-line expenses, rentals, and royalties, royalties on extraterritorial business, messages handled for the Western Union Telegraph Company, and the proper percentage of all other expenses referring to this outside business, average $7,030.95 per annum, making the total expenses for the entire business of the Washington plant average for the six years $128,418.16 per annum, or $70.42 per telephone.

Respectfully submitted.

HASKINS & SELLS,
Certified Public Accountants.

EXHIBIT A.

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY—WASHINGTON PLANT.

Statement of earnings and expenses for the six years ended December 31, 1897.

	For year ended December 31—						Total for six years.	Average per annum.
	1892.	1893.	1894.	1895.	1896.	1897.		
EARNINGS.								
Rentals from exchange subscriptions	$164,778.32	$176,895.55	$176,835.84	$178,772.67	$177,540.27	$178,254.78	$1,053,077.43	$175,512.90
Receipts from local pay stations	.....	.....	.....	296.50	843.94	9,946.97	11,087.41	1,847.90
Commission on long-distance business	1,353.69	140.68	692.94	173.36	374.40	679.32	3,414.39	569.07
Commissions on messages collected for the Western Union Telegraph Co.	46.20	47.65	34.75	48.80	46.88	69.23	293.51	48.92
Receipts from toll service	.....	.....	.....	106.20	288.05	836.80	1,231.05	205.17
Extraterritorial revenue	1,562.82	4,012.00	5,065.10	6,487.37	6,942.51	7,907.98	31,977.78	5,329.63
Private line rentals	8,525.86	10,428.73	7,544.37	5,304.62	5,149.89	5,857.95	42,811.42	7,135.24
Messenger service	.....	.....	.....	14.35	11.10	16.35	41.80	6.97
Real estate	214.50	.....	.....	300.00	365.00	35.00	914.50	152.42
Commissions on messages distributed for the Western Union Telegraph Company	.....	.....	.....	.....	12.70	22.57	35.27	5.88
Loop rentals, care batteries, etc., for the American Telephone and Telegraph Company	492.16	499.10	596.67	611.48	921.76	1,029.56	4,150.73	691.79
Rental of attachments on poles and underground conduits	.....	.....	.....	.....	278.98	122.63	401.61	66.93
Moving telephones	1,065.30	1,716.92	1,175.10	707.95	732.71	624.84	6,022.82	1,003.80
Profit on labor and material sold	650.53	517.31	344.83	1,296.27	562.13	1,013.66	4,384.73	730.79
Total gross earnings	178,689.38	194,257.94	192,289.60	194,119.57	194,070.32	206,417.64	1,159,844.45	193,307.41
EXPENSES.								
Maintenance:								
Salaries and wages	16,495.03	15,513.33	20,787.82	22,031.63	28,231.48	47,454.18	150,513.47	25,085.58
Rent, light, and heat	879.19	786.89	1,238.53	1,356.33	1,367.07	1,580.02	7,208.33	1,201.39
Material	14,013.88	18,217.97	25,131.77	12,473.30	19,100.08	53,710.79	142,647.79	23,774.63
Traveling	1,192.08	1,152.21	1,521.60	1,376.69	1,999.90	1,876.93	9,119.41	1,519.90
Conduit, pole, and roof rent	213.50	181.00	138.66	172.39	273.17	437.14	1,071.08	178.51
Insurance	143.75	146.50	293.50	205.00	208.00	307.50	1,304.25	217.37
Damage and compensation	208.53	48.10	143.25	115.85	313.48	216.38	1,045.59	174.27
Incidental	4,063.02	1,347.71	1,839.51	1,413.86	455.67	563.66	9,683.43	1,613.91
Total maintenance expenses	37,208.98	37,393.71	51,094.94	38,800.27	51,948.85	106,146.60	322,593.35	53,765.56
Operating:								
Salaries and wages	13,035.59	13,814.61	13,723.79	13,490.60	12,952.34	14,215.35	81,232.28	13,538.71
Rent, light, and heat	2,143.63	2,000.26	2,199.45	2,254.58	2,127.42	2,314.92	13,040.26	2,173.38
Incidental	605.35	697.21	739.28	511.91	355.74	519.55	3,429.04	571.50
Total operating expenses	15,784.57	16,512.08	16,662.52	16,257.09	15,435.50	17,049.82	97,701.58	16,283.59

EXHIBIT A—Continued.

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY—WASHINGTON PLANT—continued.

Statement of earnings and expenses for the six years ended December 31, 1897—Continued.

	For year ended December 31—						Total for six years.	Average per annum.
	1892.	1893.	1894.	1895.	1896.	1897.		
EXPENSES—continued.								
General:								
Salaries and wages	$12,209.87	$13,106.06	$14,166.58	$11,443.62	$10,953.74	$11,707.09	$73,586.96	$12,264.49
Rent, light, and heat	1,021.43	885.70	1,216.99	855.70	768.42	855.15	5,603.39	933.90
Real estate	90.30	101.22	770.73	168.20	122.13	147.77	1,400.35	233.39
Traveling	2,555.00	1,711.97	1,641.23	1,196.20	1,372.11	1,363.94	9,840.45	1,640.08
Postage, printing, and stationery	1,043.16	1,151.62	1,718.05	2,045.40	2,244.01	2,386.32	10,588.56	1,764.76
Legal	538.10	974.48	2,096.37	1,099.14	2,285.51	9,072.17	16,065.77	2,677.63
Incidental	700.85	846.89	1,787.25	1,951.99	955.75	1,954.54	8,197.27	1,366.21
Total general expenses	18,158.71	18,777.94	23,397.20	18,760.25	18,701.67	27,486.98	125,282.75	20,880.46
Rentals and royalties:								
Instrument rental, American Bell Telephone Co	21,006.81	22,192.19	16,231.74	12,051.74	12,092.07	12,775.71	96,350.26	16,058.38
Instrument rental, private line, American Bell Telephone Co	3,809.07	3,902.42	1,666.64	1,213.35	1,054.38	1,084.74	12,730.60	2,121.77
Royalty on extra-territorial business, American Bell Telephone Co	281.28	243.77	692.94	818.57	902.43	1,038.02	3,977.01	662.83
Royalty on messages handled for the Western Union Telegraph Co	64.57	56.33	15.92	24.53	23.45	34.61	219.41	36.57
Royalty on switch board	1,518.08	1,626.75	1,609.83	1,710.66	1,672.67	1,717.17	9,855.16	1,642.53
14.93 per cent of total gross earnings	26,679.81							
14.42 per cent of total gross earnings		28,021.46						
10.51 per cent of total gross earnings			20,217.07					
8.15 per cent of total gross earnings				15,818.85				
8.12 per cent of total gross earnings					15,745.00			
8.06 per cent of total gross earnings						16,650.25		
10.61 per cent of total gross earnings							123,132.44	
Do								20,522.08
Total expenses	97,832.07	100,705.19	111,371.73	89,636.46	101,831.02	167,333.65	668,710.12	111,451.69
Taxes	300.00	225.00	300.00	300.00	304.16	330.55	1,759.71	293.28
Total expenses and taxes	98,132.07	100,930.19	111,671.73	89,936.46	102,135.18	167,664.20	670,469.83	111,744.97
Net earnings	80,557.31	93,327.75	80,617.87	104,183.11	91,935.14	38,753.44	489,374.62	81,562.44
Per cent of expenses and taxes to total gross earnings	54.92	51.96	58.07	46.33	52.63	81.23	57.81	57.81

EXHIBIT B.

Statement of income account for the six years ended December 31, 1897.

	For year ended December 31—						Total for six years.	Average per annum.
	1892.	1893.	1894.	1895.	1896.	1897.		
RECEIPTS.								
Net earnings, as per Exhibit A	$80,557.31	$93,327.75	$80,617.87	$104,183.11	$91,935.14	$38,753.44	$489,374.62	$81,562.44
DISBURSEMENTS.								
Bad accounts charged off	.....	.....	.....	.....	2,596.96	1,108.77	3,705.73	617.62
Miscellaneous interest, Washington proportion figured on revenue basis	10.74	2,237.67	1,374.16	2,166.29	1,062.20	1,476.52	8,306.10	1,384.35
Interest on first-mortgage bonds, Washington proportion two-fifths of total charge	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00	8,027.30	48,027.30	8,004.55
Sinking fund, Washington proportion two-fifths of the total charge	.....	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00	40,000.00	6,666.67
Total	7,989.26	18,237.67	17,374.16	18,166.29	19,659.16	18,612.59	100,039.13	16,673.19
Surplus from operations	72,568.05	75,090.08	63,243.71	86,016.82	72,275.98	20,140.85	389,335.49	64,889.25

EXHIBIT C.

Statement of profit and loss account for the six years ended December 31, 1897.

	For year ended December 31—						Total for six years.	Average per annum.
	1892.	1893.	1894.	1895.	1896.	1897.		
RECEIPTS.								
Surplus from operations, as per Exhibit B	$72,568.05	$75,090.08	$63,243.71	$86,016.82	$72,275.98	$20,140.85	$389,335.49	$64,889.25
Collections made for rent of wire, etc., account of the year 1891	439.38						439.38	73.23
Toll tickets sold from 1885 to 1892 and not used, Washington proportion					55.74		55.74	9.29
Premium on bonds sold, $100,000 at 3 per cent, $3,000; Washington proportion, two-fifths						1,200.00	1,200.00	200.00
Total	73,007.43	75,090.08	63,243.71	86,016.82	72,331.72	21,340.85	391,030.61	65,171.77
CHARGES.								
Commissions paid for selling $85,000 of bonds, 1 per cent, $850; Washington proportion, two-fifths						340.00	340.00	56.67
Depreciation charged off			24,597.33	20,251.20	9,012.75		53,861.28	8,976.88
Total			24,597.33	20,251.20	9,012.75	340.00	54,201.28	9,033.55
Balance	73,007.43	75,090.08	38,646.38	65,765.62	63,318.97	21,000.85	336,829.33	56,138.22
Dividends paid on capital stock:								
2½ per cent on $750,000	18,750.00							
2 per cent on $750,000		15,000.00						
2 per cent on $750,000			15,000.00					
2 per cent on $750,000				15,000.00				
3 per cent on $750,000					22,500.00			
4 per cent on $750,000						30,000.00		
15.5 per cent on $750,000							116,250.00	
2.583 per cent on $750,000								19,375.00
Surplus for year	54,257.43	60,090.08	23,646.38	50,765.62	40,818.97		220,579.33	36,763.22
Deficit for year						8,999.15		

EXHIBIT D.

Statement of earnings and expenses, per telephone, for the six years ended December 31, 1897.

	For year ended December 31—						Total for six years.	Average per annum.
	1892.	1893.	1894.	1895.	1896.	1897.		
Average number of telephones in use	1,751	1,822	1,818	1,742	1,879	1,929	10,941	1,823.5
Rentals from exchange subscriptions	$164,778.32	$176,895.55	$176,835.84	$178,772.67	$177,540.27	$178,254.78	$1,053,077.43	$175,512.90
Receipts from local stations				296.50	843.94	9,946.97	11,087.41	1,847.90
Total exchange station income	164,778.32	176,895.55	176,835.84	179,069.17	178,384.21	188,201.75	1,064,164.84	177,360.80
Private line rentals	8,525.86	10,428.73	7,544.37	5,304.62	5,149.89	5,857.95	42,811.42	7,135.24
Extraterritorial and miscellaneous revenue	4,734.67	6,416.35	7,564.56	8,449.51	9,974.09	11,344.28	48,483.46	8,080.58
Profit on labor and material sold	650.53	517.31	344.83	1,296.27	562.13	1,013.66	4,384.73	730.79
Total receipts, as per Exhibit A	178,689.38	194,257.94	192,289.60	194,119.57	194,070.32	206,417.64	1,159,844.45	193,307.41
Average per telephone	102.05	106.62	105.77	111.43	103.28	107.01	106.01	106.01
Expenses and taxes, as per Exhibit A	98,132.07	100,930.19	111,671.73	89,936.46	102,135.18	167,664.20	670,469.83	111,744.97
Income account expenses as per Exhibit B	7,989.26	18,237.67	17,374.16	18,166.29	19,659.16	18,612.59	100,039.13	16,673.19
Total expenses	106,121.33	119,167.86	129,045.89	108,102.75	121,794.34	186,276.79	770,508.96	128,418.16
Average per telephone	60.61	65.40	70.98	62.06	64.82	96.57	70.42	70.42
Total net income from all business	72,568.05	75,090.08	63,243.71	86,016.82	72,275.98	20,140.85	389,335.49	64,889.25
Average per telephone	41.44	41.22	34.79	49.37	38.46	10.44	35.59	35.59
Total receipts from exchange stations, as per above	164,778.32	176,895.55	176,835.84	179,069.17	178,384.21	188,201.75	1,064,164.84	177,360.80
Average per telephone	94.11	97.09	97.27	102.80	94.94	97.56	97.26	97.26
Total expenses, as per above	106,121.33	119,167.86	129,045.89	108,102.75	121,794.34	186,276.79	770,508.96	128,418.16
Less items not relating to exchange service:								
Private-line expenses, rentals, and royalties	4,032.38	4,047.50	1,890.03	1,637.01	1,315.64	1,201.94	14,124.50	2,354.08
Royalty on extraterritorial business	281.28	243.77	692.94	818.57	902.43	1,038.02	3,977.01	662.84
Royalty on messages handled for the Western Union Telegraph Co.	64.57	56.33	15.92	24.53	23.45	34.61	219.41	36.57
Proportion of expenses applicable to extraterritorial and miscellaneous revenue (being the general percentage of expenses to earnings, not including rentals and royalties):								
39.99 per cent of $4,734.67	1,893.39							
37.54 per cent of $6,416.35		2,408.70						
47.56 per cent of $7,564.56			3,597.70					
38.18 per cent of $8,449.51				3,226.02				

EXHIBIT D—Continued.

Statement of earnings and expenses, per telephone, for the six years ended December 31, 1897—Continued.

	For year ended December 31—						Total for six years.	Average per annum.
	1892.	1893.	1894.	1895.	1896.	1897.		
Less items not relating to exchange service—Continued.								
Proportion of expenses applicable to extraterritorial and miscellaneous revenue (being the general percentage of expenses to earnings not including rentals and royalties—Continued.								
44.51 per cent of $9,974.09	.....	.....	.....	.....	$4,439.47	.....	.....	.....
73.16 per cent of $11,344.28	.....	.....	.....	.....	.....	$8,299.48	.....	.....
49.22 per cent of $48,483.46 and $8,080.58	.....	.....	.....	.....	.....	.....	$23,864.76	$3,977.46
Total deductions—expenses not applicable to exchange stations	$6,271.62	$6,756.30	$6,196.59	$5,706.13	6,680.99	10,574.05	42,185.68	7,030.95
Total expenses—exchange stations	99,849.71	112,411.56	122,849.30	102,396.62	115,113.35	175,702.74	728,323.28	121,387.21
Average per telephone	57.02	61.70	67.57	58.78	61.26	91.09	66.57	66.57
Net earnings, exchange stations	64,928.61	64,483.99	53,986.54	76,672.55	63,270.86	12,499.01	335,841.56	55,973.59
Average per telephone	37.09	35.39	29.70	44.02	33.68	6.47	30.69	30.69

To the Board of Directors of the Chesapeake and Potomac Telephone Company.

GENTLEMEN: I have the honor to make the following report of the operations of the company for the year ended December 31, 1892:

The gross earnings for the year were $440,624.72, as against $418,942.12 for the previous year—an increase of $21,682.60, or 5.17 per cent.

The net earnings for the year were $106,922.88, as against $116.304.84 for the previous year—a decrease of $9,381.96, or 8.06 per cent.

The increase in gross earnings in Washington was $22,182.24, while in Maryland there was a decrease of $499.64.

The company's business in Washington continues to improve, as will be seen from the figures.

The troubles in Baltimore, to which reference was made in my last report, culminated in the passage of a law by the legislature of Maryland, reducing the rates for telephone service to $6.50 per month for service within a radius of 2 miles from the exchange where one telephone only was subscribed for, but where two or more were subscribed for the rate was reduced to $5.50 each per month within the same radius, and the rate for telephone messages between exchanges in Maryland was made 15 cents instead of 25 cents, which had formerly been the rate.

This legislation has laid the foundation for litigation, a part of which is now in progress.

The recommendations contained in my last report, that the company erect a building in Washington, I now beg to renew, and to state that plans have been drawn for a five-story building to cover the entire lot owned by the company, about 25 by 120 feet. The plans call for a building thoroughly fireproof in all respects, the estimated cost of which is about $60,000.

This, however, would not be all of the expenditure necessary to be incurred, because in effecting the removal of the exchange from our present quarters to the new building probably $40,000 additional would have to be expended for a new switch board and other items attending such removal.

In my estimate of revenue and expenditures for 1892, referred to on page 13 of my last report, the figures for which appear at the top of page 14, it will be seen that the revenue for 1892 was $6,400 less than I estimated.

The revenue from telephone service was put down at $433,000, and from other sources $14,000, making $447,000, while the actual revenue for the year was $440,624.72.

Our real estate investment in Baltimore has been very satisfactory. We occupy about one-half of the basement of the building, one-half of the first floor, a small portion of the fourth, and all of the fifth and sixth floors, and yet we have twenty rooms now rented, yielding $4,675 per annum.

The tenants we now have I trust we will be able to retain, but in view of the recent completion of the Cone, Equitable, and other buildings in the neighborhood, which will furnish in the aggregate considerably over 1,000 fine office rooms, it is possible that the attraction of new quarters may cause some of our tenants to drift away from us.

All underground construction, so far as such construction includes manholes, tunnels, and ducts, is completed to the point where probably for the next five years we shall not have any additions to make to it—certainly no material additions; and in the matter of cables for equipping those ducts we shall not, in all probability, require any in Baltimore for a number of years to come; but, as will appear from the report of the general superintendent of construction, submitted herewith, it will be necessary to equip some additional ducts in Washington with the new metallic-circuit cable, not only for the purpose of supplying metallic-circuit wires where required, but to add to our capacity for grounded-wire service.

One gratifying thing in connection with the underground construction in Washington, which was only completed in November last, is that the total cost amounted to considerably less than the estimates, both for the work done in the summer of 1891 and that completed during the past summer.

The rebuilding of one of the Washington-Baltimore lines is recommended in the report of the superintendent of construction, and is work that should by all means be begun without delay. Both of our old Washington-Baltimore lines are now practically worthless, with the exception of the two ends of that occupying the more desirable route, and that line we have recently rebuilt from Washington to Takoma, a distance of about 6 miles, while on the Baltimore end about 7 miles has been rebuilt.

To rebuild the remaining portion of it and equip it with three metallic circuits will cost about $12,000, and the revenue which can be derived from the line when rebuilt will amount in the first year after its completion to almost the sum required to rebuild the remaining part of the line.

Attached hereto is a statement in detail of the work done during the past year, the character and extent of plant, etc., together with a statement of the treasurer for the past year.

Respectfully submitted. SAML. M. BRYAN, *President.*

WASHINGTON DIVISION.

Amount expended during the year for overhead construction in Washington	$4,157.64
Underground construction and cables	63,877.10
Making a total of	68,034.74

During the year the following work was done:

Five hundred and twenty-four new poles were set; 227 old poles were replaced with new and taller ones, the old poles being either too short or decayed; 49 poles were moved out of way of buildings, street improvements, etc., making an increase in number of poles for the year of 524.

Three hundred and thirty-five miles of wire was strung on poles, and 12 miles on house tops; 205.3 miles of wire was taken off poles and 9 miles off house tops, making an increase of 132.7 miles of wire strung.

There was drawn in 6,362 feet of 50-pair 18-gauge, 11,324 feet of 50-pair 19-gauge, 1,233 feet of 50-wire 26-gauge Patterson underground cable.

There was abandoned 308 feet 9 inches of 1-duct conduit.

There was laid during the year 29,148 feet of trench conduit, 6,963½ feet of 8-duct pipe, 24,277½ feet of 6-duct pipe, 4,438½ feet of 1-duct pipe (4-inch terra cotta), 1,396½ feet of 1-duct pipe, making a total of 37,075½ feet of pipe and 207,203½ feet of duct. Seventy six "B" manholes were built.

PRESENT EXTENT AND KINDS OF LINES.

Number of poles in Washington division outside city limits	2,694
Number of poles in Washington division inside city limits	1,121
Number of house top fixtures	11
Number of feet of aerial cable, 50-conductor, Phillips	600
Number of feet of aerial cable, 50-conductor, Patterson	3,300
Number of feet of underground construction	95,752
Number of manholes (34 "A," 139 "B")	173
Number of feet of underground cable, 50-conductor, Phillips	1,178
Number of feet of underground cable, 100-conductor, Phillips	873
Number of feet of underground cable, 16-conductor, Phillips	850
Number of feet of underground cable, 50-conductor, Patterson	56,941
Number of feet of underground cable, 100-conductor, Patterson	52,342
Number of feet of underground cable, 50-pair, Patterson	28,961
Number of feet of underground cable, 25-pair, Patterson	125
Number of feet of underground cable, 10-pair, Patterson	140
Number of exchange wires in use	1,652
Number of private-line wires in use	39
Number of trunk lines to department switch boards	17
Number of E. T. lines entering Washington Exchange	2
Number of exchange stations	1,817
Number of P. L. stations (197 belong to District Government)	330
Increase in number of stations during 1892	86
Miles of single wires	1,816¾
Miles of wire available in aerial cables	37
Miles of wire available, underground cables	2,111
Total mileage of wire available	3,964¾

Extraterritorial and other toll business, real-estate revenue, and miscellaneous receipts:

The receipts under this head for the year 1892 were $25,310.25.

Treasurer's statement for year ended December 31, 1892.

REVENUE.

Exchange service		$381,634.18
Toll service		6,218.72
Private line		33,502.34
Messenger		177.95
Real estate revenue		6,998.82
Miscellaneous revenue		12,092.71
		440,624.72

EXPENSES.

General	$60,364.96	
Operating	39,854.28	
Maintenance	122,426.55	
Telephone rental and switch-board royalty (not including private line)	58,002.82	
Private line expenses (instrument rental, etc.)	16,316.77	
Messenger expense	858.78	
Real estate expense	3,920.66	
Interest (increase on mortgage bonds)	31,957.02	
		333,701.84
Net revenue		106,922.88
Disposition of net revenue:		
Dividends on capital stock		66,250.00
Surplus		40,672.88
		106,922.88

Balance sheet, December 31, 1892.

ASSETS.

Franchise		$692,600.00
Construction		2,790,235.47
Real estate		147,206.16
Supply department		24,120.34
Accounts receivable		26,939.93
Cash		4,732.43
		3,685,834.33

LIABILITIES.

Capital stock		2,650,000.00
Bonded debt		400,000.00
Accounts payable		229,457.10
Surplus		387,117.12
Reserve:		
Unearned rentals	$7,335.77	
Outstanding toll tickets	142.95	
Maintenance	7,584.68	
Accrued interest	4,196.71	
		19,260.11
		3,685,834.33

Construction in 1892:	
Aerial, Washington, $4,157.64; Baltimore, $7,660.83; Maryland, $72.67	11,891.14
Equipment, Washington, $6,105.77; Baltimore, $3,354.52; Maryland, $270.56	9,730.85
Underground conduits, Washington	53,490.70
Underground cables, Washington	10,386.40
	85,499.09

E. and O. E.

CHAS. G. BEEBE, *Treasurer.*
J. W. DYER, *Acting Auditor.*

Comparative statement.

	1890.	1891.	1892.
Gross revenue	$395,614.29	$418,942.12	$440,624.72
Gross expenses	270,619.58	302,637.28	333,701.84
Net revenue	124,994.71	116,304.84	106,922.88
Dividends	92,750.00	79,500.00	66,250.00
Surplus	32,244.71	36,804.84	40,672.88
Construction	311,459.30	182,396.43	85,499.09

To the Board of Directors of the Chesapeake and Potomac Telephone Company:

GENTLEMEN: I have the honor to make the following report of the operations of the company for the year ended December 31, 1893:

The gross earnings for the year were $465,130.47, as against $440,624.72 for 1892, an increase of $24,505.75, or 5.56 per cent.

The net earnings for the year were $117,167.57, as against $106,922.88 for the year 1892, an increase of $10,244.69, or 9.58 per cent.

The increase in gross earnings in Washington was $15,502.18, and in Maryland $9,003.57.

Extraterritorial and other toll business, real-estate revenue, and miscellaneous receipts for the year 1893 were $25,951.97, as against $25,310.25 for the preceding year.

The net revenue would have been larger except for an ascertained depreciation in Baltimore, which necessitated crediting "construction" with $25,000 and charging "maintenance" therewith.

The business of the company is in a sound, healthy condition and steadily improving. The depressed condition of business since June last has prevented the increase of business that was naturally expected; but, taking into account the business of the entire year, the percentage of increase in gross revenue was a little higher than in 1892.

The passage of the Maryland telephone law has caused a change of all old contracts in Baltimore, except about 800, and the loss for the past year on this account was upward of $25,000, without taking into account the loss occasioned by our inability under the law to supply a higher class of service.

Since my last report it has been decided to delay for an indefinite period the erection of a building on the lot owned by the company, and to remodel, so far as may be necessary, the building now occupied by the executive offices and the Washington exchange, and to put in a new switch board and kindred apparatus, all of which is expected to be complete and in operation by May 1, 1894.

The cost will be in the neighborhood of $40,000.

Our real estate investment in Baltimore, and leased building in Washington, notwithstanding the recent erection of additional office buildings in their immediate neighborhood, have yielded better the past year than formerly.

The revenue from rental of offices, both in Baltimore and Washington, was, in 1892, $5,663.82, and in 1893, $6,405.50.

The rebuilding of the Baltimore-Washington line with six No. 12 N. B. S. copper wires, as recommended in my last report, and the overhauling of the Alexandria-Washington lines and metallic-circuiting them with copper has afforded increased facilities for toll business to an extent likely to meet the requirements of the public for some time to come.

The increase in number of exchange stations in Washington during the past year was 26, and in Baltimore 205.

The average revenue per exchange station on December 31, 1892, was, in Washington, $91.57, and in Baltimore, $93.38.

The average revenue on December 31, 1893, was, in Washington, $98.46, and in Baltimore, $89.05.

The increase per station in Washington might be readily inferred from the statement of revenue on the first page, which shows that the increase in Washington was $15,502.18, while the increase in number of stations was but 26.

Attached hereto is a statement in detail of the work done during the past year, the character and extent of plant, etc., together with a statement of the treasurer for the same period.

Respectfully submitted.

SAM'L M. BRYAN, *President.*

WASHINGTON DIVISION.

Amount expended during the year for overhead construction in Washington	
Underground construction and cables	$9,326.01
Making a total of	9.326.01

During the year the following work was done:

One hundred and eighty-seven new poles were set; 661 old poles were replaced with new and taller ones, the old poles being either too short or decayed; 46 poles were moved out of way of buildings, street improvements, etc.; 172 poles were abandoned on account of being of no further use, making an increase of 15 in number of poles up; 339.9 miles of wire was strung on poles and 15 miles on housetops; 215.7 miles of wire was taken off poles, and 15 miles off housetops, making an increase of 124.2 miles of wire strung.

There was drawn in 674 feet of 50-pair 18-gauge, 30,318 feet of 50-pair 19-gauge, 1,145 feet of 100-wire 20-gauge, 3,679 feet of 50-wire 20-gauge, 12,870 feet of 50-wire 22-gauge, and 2,999 feet of 50-wire 26-gauge Patterson underground cable.

There was abandoned 4,281 feet of 100-wire 20-gauge Patterson underground cable; 929 feet of 100-wire 22-gauge Patterson underground cable; 873 feet of 100-wire 20-gauge Phillips underground cable; 873 feet of 50-wire 20-gauge Phillips underground cable; 3,300 feet of 50-wire 26-gauge Patterson aerial cable, and 2,093 feet of asphalt conduit.

WORK NECESSARY IN THE NEAR FUTURE.

The principal work necessary is the replacing of old poles with new ones, which is gradually being done. The iron wire at present on our main pole lines in the city should, when it becomes rusty, be replaced with No. 12 copper wire; and during the coming year it will probably be necessary to replace 300 miles of rusty iron wire.

Plans are being prepared, showing cost, etc., of running 8 or 10 100-pair underground cables, using the multiple distribution, so as to enable the company to furnish metallic service, when desired, throughout the greater portion of the city.

PRESENT EXTENT AND KINDS OF LINES.

Number of poles in Washington division outside city limits	2,691
Number of poles in Washington division inside city limits	1,139
Number of house-top fixtures	11
Number of feet of aerial cable, 50-conductor, Phillips	600
Number of feet of underground construction	93,659
Number of manholes (34 "A," 139 "B")	173
Number of feet of underground cable, 50-conductor, Phillips	305
Number of feet of underground cable, 16-conductor, Phillips	850
Number of feet of underground cable, 50-conductor, Patterson	76,489
Number of feet of underground cable, 100-conductor, Patterson	48,277
Number of feet of underground cable, 50-pair, Patterson	59,953
Number of feet of underground cable, 25-pair, Patterson	125
Number of feet of underground cable, 10-pair, Patterson	140
Number of exchange wires in use	1,652
Number of private line wires in use	33
Number of trunk lines to department switchboards	17
Number of E. T. metallic loops entering Washington Exchange	5
Number of exchange stations	1,843
Number of P. L. stations (200 belong to District government)	343
Increase in number of stations during 1893	39
Miles of single wire (388 miles of which is copper)	1,941
Miles of wire available in aerial cables	5.7
Miles of wire available in underground cables	2,781.3
Total mileage of wire available	4,728

Treasurer's statement for year ended December 31, 1893.

REVENUE.

Exchange service		$401,555.74
Toll service		9,823.85
Private line		37,210.41
Messenger		163.40
Real-estate revenue		7,377.50
Dividends and interest		248.95
Miscellaneous		8,750.62
		465,130.47

EXPENSE.

General	$65,503.25	
Operating	41,507.28	
Maintenance	125,178.98	
Telephone rental and switch-board royalty (not including private line)	63,198.71	
Private line expense (instrument rental, etc.)	16,361.88	
Messenger expense	894.96	
Real estate expense	4,604.82	
Interest (including on mortgage bonds)	30,713.02	
		347.962.90
Net revenue		117,167.57
Disposition of net revenue:		
Dividends on capital stock		53,000.00
Surplus		64,167.57
		117,167.57

Balance sheet, December 31, 1893.

ASSETS.

Franchise		$692,600.00
Construction		2,771,011.39
Real estate		147,206.16
Sinking fund	$20,160.00	
Stocks and bonds	9,650.00	
		29,810.00
Supplies		22,082.48
Accounts receivable		30,245.97
Cash		4,631.76
		3,697,587.76

LIABILITIES.

Capital stock		$2,650,000.00
Bonded debt		400,000.00
Accounts payable		186,691.17
Surplus		451,284.69
Revenue:		
Unearned rentals	$5,683.03	
Outstanding toll tickets	168.90	
Accrued interest	3,759.97	
		9,611.90
		3,697,587.76
Construction in 1893:		
Equipment		4,034.59
Underground cables, Washington		9,326.01
		13,360.60

E. and O. E.

CHAS. G. BEEBE, *Treasurer.*
J. W. DYER, *Acting Auditor.*

Comparative statement.

	1891.	1892.	1893.
Gross revenue	$418,942.12	$440,624.72	$465,130.47
Gross expenses	302,637.28	333,701.84	347,962.90
Net revenue	116,304.84	106,922.88	117,167.57
Dividends	79,500.00	66,250.00	53,000.00
Surplus	36,804.84	40,672.88	64,167.57
Construction	182,396.43	85,499.09	13,360.60

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
Washington, D. C., February 1, 1895.

To the Board of Directors of the Chesapeake and Potomac Telephone Company.

GENTLEMEN: I have the honor to make the following report of the operations of the company for the year ended December 31, 1894.

The gross earnings for the year were $463,934.64, as against $465,130.47 for 1893, a decrease of $1,195.83, or 2.57 per cent.

The net earnings for the year were $109,630.33, as against $117,167.57 for 1893, a decrease of $7,537.24, or 6.44 per cent.

Extraterritorial and toll, real estate, and miscellaneous receipts for the year were $23,184.39, as against $25,951.97 for the preceding year, a decrease of $2,767.58.

Our real-estate investment in Baltimore and leased building in Washington have yielded a revenue of $3,580.85, a decrease as compared with the preceding year of $2,824.65, and with the year 1892 of $2,082.97. These figures are exclusive of the accommodations reserved for the company's use. This decrease is owing to the large increase of office buildings in the immediate vicinity of our Baltimore office.

The passage by Congress of a law authorizing the erection of telephone poles in alleys in Washington, thus supplementing the law authorizing the placing of wires underground, has cleared away complications which at one time gave promise of serious and continuing embarrassments.

During the past year the Washington Exchange has been entirely remodeled, a new switchboard and kindred apparatus having been installed.

The telephone commission provided for in the Maryland law of 1894 has been appointed by the governor.

Attached hereto will be found the usual financial and other reports, showing the business of the company in detail, all of which are respectfully submitted.

Very respectfully,

SAM'L M. BRYAN, *President.*

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
Washington, D. C., January 21, 1895.

Mr. SAM'L M. BRYAN,
President and General Manager,
Chesapeake and Potomac Telephone Company.

DEAR SIR: I beg to submit this report for the year ending December 31, 1894:

In Washington we have—

43,349 feet of 100-pair No. 19 gauge Patterson underground cable.
35,190 feet of 50-pair No. 19 gauge Patterson underground cable.
17,851 feet of 50-pair No. 18 gauge Patterson underground cable.
125 feet of 25-pair No. 18 gauge Patterson underground cable.
140 feet of 10-pair No. 18 gauge Patterson underground cable.

96,655 feet total pair cable containing 13,982,950 feet of conductor.
37,166 feet of 100-wire No. 20 gauge Patterson underground cable.
44,313 feet of 50-wire No. 20 gauge Patterson underground cable.
973 feet of 100-wire No. 22 gauge Patterson underground cable.
2,365 feet of 50-wire No. 22 gauge Patterson underground cable.
4,934 feet of 50-wire No. 26 gauge Patterson underground cable.
305 feet of 50-wire No. 20 gauge Phillips underground cable.
850 feet of 16-wire No. 26 gauge lead-covered underground cable.

90,906 feet, total amount of underground grounded wire cable.

6,423,350 feet, total amount of conductor in grounded wire cables; 187,561 feet, total amount of underground cables of all kinds; 20,406,306 feet, total amount of conductor in underground cables; 34.5 miles of cable and 3,864.8 miles of conductor, an increase of 0.3 of a mile of cable, and 1,082.8 miles of conductor for the year.

The main subways contain the following ducts: 76 feet of 72-duct capacity; 176 feet 3 inches of 64; 774 feet 9 inches of 56; 1,534 feet 5 inches of 40; 465 feet 6 inches of 32; 304 feet 6 inches of 25; 2,072 feet 1 inch of 24; 1,576 feet 3 inches of 18; 637 feet of 17; 5,823 feet 9 inches of 16; 212 feet of 13; 5,068 feet 2 inches of 12; 114 feet of 9; 14,470 feet 2½ inches of 8; 184 feet of 7; 19,967 feet 9 inches of 6; 65 feet 6 inches of 4; 53,512 feet 1½ inches total trench, and with a total duct capacity of 627,776 feet 10 inches.

2,097 feet 6 inches of 2-duct street branches; 4,342 feet 2 inches of 1-duct street branches; 1,000 feet 8 inches of 2-duct alley branches; 9,071 feet 3 inches of 1-duct alley branches; 16,511 feet 7 inches of trench, containing 19,609 feet 9 inches of duct.

There are 41 A manholes and 148 B manholes, also 26,477 feet of trench conduit asphalt system, containing 91,320 feet of duct.

Aerial cables: 600 feet of 50-wire, 22 gauge, Phillips aerial cables; 30,000 feet of aerial conductors, or 5.7 miles of aerial conductor in cable.

We have 1,227 poles in the city limits, and 2,672 poles in the country in this territory, making the total number of poles up 3,899, amounting to 111 miles of pole line. House-top fixtures up, 11.

There are at present 1,963 miles of wire on poles and 45 miles of wire on house tops, making the total amount of line wire up 2,008 miles, making the total amount of wire, including aerial and underground, 5,878.5 miles, an increase for the year of 1,149.8 miles.

WORK DONE IN 1894.

During the year we set 129 new poles, replaced 84 old poles with new and higher ones, old poles being either too short or rotten, have moved 55 poles out of the way of buildings, street improvements, etc., abandoned 60 poles as being of no further use, making an increase of the number of poles for the year of 69; put up 198 miles of wire on poles and 34 miles of wire on house tops; took down 131 miles of wire off of poles and 34 miles of wire off of house tops, making an increase of 67 miles of wire up.

Have drawn in 43,349 feet of 100-pair, 19 gauge, 7,430 feet of 50-pair, 19 gauge, 3,406 feet of 50-pair, 18 gauge, Patterson underground cable. Drawn out 13,882 feet of 50-pair, 19 gauge, 3,866 feet of 50-pair, 18 gauge, Patterson underground cable.

Ducts laid, main line: 76 feet of 72-duct pipe; 26 feet of 56-duct pipe; 9 feet 10 inches of 24-duct pipe; 281 feet 8 inches of 6-duct pipe; total, 393 feet 6 inches.

Ducts laid, branches: 11 feet of 2-duct pipe; 2,772 feet of 1-duct pipe; total, 2,783 feet.

Abandoned ducts on main line: 81 feet 6 inches of 40-duct pipe; 73 feet 9 inches of 8-duct pipe; total, on account of changes made at the office, 155 feet 3 inches.

Abandoned ducts, branches: 200 feet of 2-duct pipe; 51 feet of 1-duct pipe; total, on account of change of location of cable poles by order of the Commissioners, 251 feet.

Abandoned: 10,138 feet of 100-wire, No. 20 gauge, 10,267 feet of 50-wire, No. 20 gauge, 14,090 feet of 50-wire, No. 22 gauge, 520 feet of 50-wire, No. 26 gauge, Patterson underground cable.

There are in Washington the following wires:

	Station.	Lines.	Subscribers.
Combination metallic circuit wire	1	92	92
Do	2	2	4
Do	3	1	3
Do	5	3	15
Special grounded wires	.....	1,495	1,495
Semispecial grounded wires	1	10	10
Do	2	52	104
General circuit wires	1	3	3
Do	2	1	2
Do	3	3	9
Do	4	4	16
Do	5	2	10
Department switch-board trunks	.....	17	83
Total	.....	1,685	1,846

Extraterritorial loops 5
merican telephone and telegraph trunks 3
rminal loops 12

In Baltimore we have 20,570 feet of 100-pair No. 18 gauge, 183,790 feet of 50-pair No. 18 gauge, 3,986 feet of 50-pair No. 19 gauge, 401 feet of 25-pair No. 18 gauge, and 315 feet of 10-pair No. 18 gauge Patterson underground cable. Total of 209,062 feet Patterson underground cable drawn in and connected up, and 22,917,950 feet total of conductor, equal to 39.6 miles of cable, or 4,340.5 miles of wire in underground cables.

We have 59,015 feet 5 inches of trench conduit, containing 725,085 feet 7 inches of duct, 51 "A" manholes, 105 "B" manholes, and 69 feet of tunnel.

There are 1,780 poles in the city limits, and 3,418 poles in the country, making a total of 5,198 in this territory, or 148.5 miles of pole line, a decrease of 328 poles.

There are also 38 house-top fixtures, 2,637 miles of wire, making the total amount of wire, including those in the underground cables, 6,977.5 miles.

During the year we set 193 new poles, replaced with new poles 261, abandoned 521 old poles, and moved 147 poles; put up 521.7 miles of wire, and took down 388.2 miles of wire, making an increase of 133.5 miles of line wire up.

Replaced 780 feet of 50-pair No. 18 gauge cable with new cable of same kind. Replaced 510 feet of 50-pair 18-gauge cable with 510 feet of No. 19 gauge cables; also drew in 1,386 feet of 50-pair No. 19 gauge cable.

Treasurer's statement for year ended December 31, 1894.

REVENUE.

Exchange service		$413,766.04
Toll service		11,805.07
Private line		23,886.63
Messenger		176.29
Real estate revenue		5,507.54
Dividends and interest		2,921.29
Miscellaneous		5,871.78
		463,934.64

EXPENSE.

General	$81,968.15	
Operating	42,244.84	
Maintenance	139,600.00	
Telephone rental and switch-board royalty, not including private line	49,877.54	
Private line, instrument rental, etc	6,459.28	
Messenger expense	920.43	
Real estate	5,111.59	
Interest	28,122.48	
		354,304.31
Net revenue		109,630.33
Disposition of net revenue:		
Dividends on capital stock		53,000.00
Surplus		56,630.33
		109,630.33

Balance sheet, December 31, 1894.

ASSETS.

Franchise	$692,600.00
Construction	2,824,996.11
Real estate	147,206.16
Sinking fund	43,105.00
Stocks and bonds	9,797.13
Supplies	20,690.51
Accounts receivable	29,254.08
Cash	2,270.00
	3,769,918.99

LIABILITIES.

Capital stock		$2,650,000.00
Bonded debt		400,000.00
Accounts payable		163,642.02
Surplus		507,915.02
Reserve:		
For unearned rentals	$6,470.96	
For outstanding toll tickets	140.65	
For maintenance	37,325.24	
For taxes	115.54	
For accrued interest	3,907.47	
For office rent	402.09	
		48,361.95
		3,769,918.99
Construction in 1894:		
Aerial		2,206.41
Underground conduits		5,374.98
Underground cables		20,117.92
Equipment		26,285.41
		53,984.72

E. and O. E.

CHAS. G. BEEBE, *Treasurer.*
ROBT. CARRUTHERS, *Auditor.*

Comparative statement.

	1891.	1892.	1893.	1894.
Gross revenue	$418,942.12	$440,624.72	$465,130.47	$463,934.64
Gross expense	302,637.28	333,701.84	347,962.90	354,304.31
Net revenue	116,304.84	106,922.88	117,167.57	109,630.33
Dividends	79,500.00	66,250.00	53,000.00	53,000.00
Surplus	36,804.84	40,672.88	64,167.57	56,630.33
Construction	182,396.43	85,499.09	13,360.60	53,984.72

E. and O. E.

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
Washington, D. C., February 15, 1896.

To the Board of Directors of the Chesapeake and Potomac Telephone Company.

GENTLEMEN: I have the honor to make the following report of the operations of the company for the year ended December 31, 1895:

The gross earnings for the year were $490,273.32, as against $463,934.64 for 1894, an increase of $26,338.68, or 5.68 per cent.

The net earnings for the year were $120,424.53, as against $109,630.33 for the year 1894, an increase of $10,794.20, or 9.85 per cent.

Extra territorial and toll, real estate, and miscellaneous receipts for the year were $32,236.88, as against $23,184.39 for the preceding year, an increase of $9,052.49.

Our real estate investment in Baltimore and leased building in Washington have yielded a net revenue of $4,666.94, an increase, as compared with the preceding year, of $4,203.01, and for the year 1893 of $3,172.26. These figures include the rental allowed for those portions of the Baltimore and Washington buildings reserved for the company's use.

The total number of exchange stations in Washington is 1,867, of which 206 are metallic circuit and 1,661 are grounded circuit.

The total number of exchange stations in Baltimore is 2,817, of which 689 are metallic and 2,128 grounded circuit.

The total number of exchange stations in western Maryland, including Annapolis, is 385, of which 93 are metallic circuit and 292 grounded circuit.

Making the whole number of exchange stations in the territory 5,069, of which 988 are metallic circuit and 4,081 are grounded circuit.

The addition to the Baltimore building, authorized by you for the purpose of providing room for an additional switch board, has been completed and is now ready for occupancy, and the seven sections of branch-terminal switch board which were authorized to be purchased are in process of installation.

The telephone commission provided for by the law of 1894 has completed and forwarded to the general assembly of Maryland its report and recommendations as to the different matters it was required by law to investigate. This report declares our charges for exchange service to be reasonable and fair to our subscribers.

Attached hereto will be found the financial and other reports, showing the business of the company in detail, all of which are respectfully submitted.

Very respectfully,

SAML. M. BRYAN, *President.*

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
Washington, D. C., February 4, 1896.

The CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
(Mr. Samuel M. Bryan, General Manager),
Washington, D. C.

DEAR SIR: I beg to submit this report, showing the amount of construction for the entire territory, and also a statement of the work done during the year ending December 31, 1895:

In Washington and its territory there are as follows:

43,349	feet of 100-pair, No. 19 gauge, Patterson underground cable.
38,619	feet of 50-pair, No. 19 gauge, Patterson underground cable.
17,851	feet of 50-pair, No. 18 gauge, Patterson underground cable.
547	feet of 25-pair, No. 19 gauge, Patterson underground cable.
140	feet of 10-pair, No. 18 gauge, Patterson underground cable.
100,506	total feet of pair cable.
14,346,950	total feet of conductor in pair cable.
2,717.1	total miles of conductor in pair cable.
25,567	feet of 100-wire 20-gauge Patterson underground cable.
38,618	feet of 50-wire 20-gauge Patterson underground cable.
370	feet of 100-wire 22-gauge Patterson underground cable.
1,129	feet of 50-wire 22-gauge Patterson underground cable.
3,592	feet of 50-wire 26-gauge Patterson underground cable.
305	feet of 50-wire 20-gauge Phillips underground cable.
69,581	total feet of grounded wire, underground cable.
4,775,900	total feet of conductor in grounded wire, underground cable.
904.6	miles of conductor in grounded wire, underground cable.

170,087, total number of feet of underground cable of all kinds; 32.2 miles of underground cable of all kinds; 19,122,850, total number of feet of underground conductor of all kinds; 3,621.7, total number miles of underground conductor of all kinds. There are no aerial cables in this division.

The main subways contain the following ducts:

76 feet of 72-duct capacity, containing 5,472 feet of duct.
176 feet 3 inches of 64-duct capacity, containing 11,280 feet of duct.
774 feet 9 inches of 56-duct capacity, containing 43,386 feet of duct.
1,534 feet 5 inches of 40-duct capacity, containing 61,376 feet 8 inches of duct.
465 feet 6 inches of 32-duct capacity, containing 14,896 feet of duct.
304 feet 6 inches of 25-duct capacity, containing 7,612 feet 6 inches of duct.
2,072 feet 1 inch of 24-duct capacity, containing 49,730 feet of duct.
1,576 feet 3 inches of 18-duct capacity, containing 28,372 feet 6 inches of duct.
637 feet of 17-duct capacity, containing 10,829 feet of duct.
5,823 feet 9 inches of 16-duct capacity, containing 93,180 feet of duct.
212 feet of 13-duct capacity, containing 2,756 feet of duct.
5,068 feet 2 inches of 12-duct capacity, containing 60,818 feet of duct.
114 feet of 9-duct capacity, containing 1,026 feet of duct.
14,470 feet 2½ inches of 8-duct capacity, containing 115,761 feet 8 inches of duct.
184 feet of 7-duct capacity, containing 1,288 feet of duct.
20,008 feet 10 inches of 6-duct capacity, containing 120,053 feet of duct.
65 feet 6 inches of 4-duct capacity, containing 262 feet of duct.
53,563 feet 2½ inches total length of trench, containing 628,099 feet 4 inches of duct.

The branch subways contain:

2,144 feet 11 inches of 2-duct capacity in streets containing 4,289 feet 10 inches of duct.

4,927 feet 11 inches of 1-duct capacity in streets containing 4,927 feet 11 inches of duct.

1,000 feet 8 inches of 2-duct capacity in alleys containing 2,001 feet 4 inches of duct.

9,305 feet 3 inches of 1-duct capacity in alleys containing 9,305 feet 3 inches of duct.

17,378 feet 9 inches, total length of branch trench containing 20,524 feet 4 inches of duct.

TOTAL FOR CITY.

Total trench of subway, 70,941 feet 11½ inches, containing 648,623 feet 8 inches of duct.

There are 152 "B" manholes, 41 "A" manholes, 24,280 feet of asphalt trench conduit, containing 70,751 feet of duct.

There are 1,295 poles in the city limits, 2,953 in the county in this division; total, 4,248 in this division, or 120 miles of pole line—an increase of 349 poles up. Housetop fixtures up, 11.

There are at present 2,008.3 miles of wire on poles, 45 miles of wire on housetops; total, 2,053.3 miles of aerial wire up; making a total of 5,675 miles of wire of all kinds.

Of the aerial wire 138 miles is No. 12 N. B. S. copper, 539 miles is No. 12 B. and S. copper, 1,376.3 miles is iron and steel; total, 2,053.3 aerial wire.

WORK DONE IN 1895.

During the year there were 68 new poles set in the city limits; 331 new poles set in the country; 108 old poles replaced with new ones in the city, 9 in the county; 50 old poles abandoned in the county, being of no further use; 78 poles moved on account of improvements, etc., making an increase of 349 poles up during the year.

Have put up 326.5 miles of wire and taken down 281.2 miles, making an increase of 45.3 miles of wire for the year.

Have drawn in the following cable: 3,429 feet of 50-pair 19-gauge, 547 feet of 25-pair 19-gauge Patterson underground cable.

Have drawn out 125 feet of 25-pair 18-gauge Patterson underground cable, making an increase of 3,851 of pair cable and 361,480 feet of conductor for the year.

Have replaced 177 feet of 50-pair 18-gauge, 14 feet of 100-pair 19-gauge, 2,087 feet of 50-wire 20-gauge Patterson underground cable.

Have abandoned 11,599 feet of 100-wire 20-gauge, 5,695 feet of 50-wire 20-gauge, 603 feet of 100-wire 22-gauge, 1,236 feet of 50-wire 22-gauge, 1,342 feet of 50-wire 26-gauge Patterson underground cable; 850 feet of 16-wire 26-gauge underground cable; total, 21,325 feet of grounded wire cable abandoned, containing 1,827,590 feet of conductor.

This cable was in the solid system and was abandoned on account of the ten 100-pair cables drawn in the subways in the fall of 1894 replacing it.

Have abandoned 600 feet of 50-wire, 22 gauge, aerial Phillips cable.

CONDUIT LAID IN 1895.

Main subways, 51 feet 1 inch of 6-duct capacity, containing 306 feet 6 inches of duct.

Branches, streets, 47 feet 5 inches of 2-duct capacity, containing 94 feet 10 inches of duct; 719 feet 11 inches of 1-duct capacity, containing 719 feet 11 inches of duct. Total length, 767 feet 4 inches of trench, containing 814 feet 9 inches of duct.

Branches, alleys, 234 feet of 1-duct capacity, containing 234 feet of duct.

Total laid in 1895, 1,052 feet 5 inches of trench, containing 1,355 feet 3 inches of duct.

Abandoned branches, streets, 134 feet 2 inches of 1-duct capacity, containing 134 feet 2 inches of duct.

Have constructed 4 "B" manholes; have abandoned 2,197 feet of asphalt conduit, containing 20,569 feet of asphalt duct, on account of the cables occupying these ducts being abandoned.

Wires and subscribers at Washington, December 31, 1895.

	Wires.		Stations.	
GROUNDED CIRCUITS.				
Special	1,482		1,491	
Semispecial, 1 station	9		9	
Semispecial, 2 stations	44		88	
General, 1 station	3		3	
General, 2 stations	1		2	
General, 3 stations	5		15	
General, 4 stations	3		12	
General, 6 stations	1		6	
Total grounded wires and stations	1,548		1,626	
Government Departments, switch-board trunks	13		40	
		1,561		1,666
METALLIC CIRCUITS.				
Lines of 1 station	155		155	
Lines of 2 stations	10		20	
Lines of 3 stations	1		3	
Lines of 5 stations	3		15	
Total metallic wires and stations		169		193
		1,730		1,859
A. T. and T. pay stations	4		4	
Gray automatic stations	8		9	
		12		13
		1,742		1,872
A. T. and T. trunks to Baltimore	5			
C. and P. trunks to Baltimore	3			
C. and P. trunks to Alexandria	2			
		10		
		1,752		1,872
A. T. and T. terminal loop subs		11		11
Total lines and stations connected with the exchange		1,763		1,883

Treasurer's statement for year ended December 31, 1895.

REVENUE.

Exchange service		$436,530.88
Toll service		15,627.57
Private line earnings		17,668.92
Messenger earnings		502.72
Real estate revenue		9,096.00
Dividends and interest		3,333.92
Miscellaneous revenue		7,513.31
		490,273.32

EXPENSES.

General	$61,789.00	
Operating	60,912.42	
Maintenance	175,687.17	
Telephone rental and switch-board royalty (not including private line)	36,239.82	
Private line, instrument rental, etc	3,909.80	
Messenger expense	1,164.27	
Real estate expense	4,595.40	
Interest	25,550.91	
		369,848.79
		120,424.53
Disposition of net revenue:		
Dividends on capital stock		53,000.00
Surplus		67,424.53
		120,424.53

Balance sheet, December 31, 1895.

ASSETS.

Franchise		$692, 600. 00
Construction		2, 759, 832. 22
Real estate		156, 206. 16
Sinking fund		66, 056. 39
Supplies		44, 451. 50
Accounts receivable		36, 209. 19
Cash		3, 207. 45
		3, 758, 562. 91

LIABILITIES.

Capital stock		2, 650, 000. 00
Bonded debt		400, 000. 00
Surplus		575, 339. 55
Accounts payable		85, 971. 15

RESERVE.

For unearned rentals	$6, 164. 49	
For outstanding toll tickets	140. 50	
For Baltimore building	14, 109. 68	
For Baltimore switch board	24, 525. 12	
For accrued interest	1, 910. 33	
For office rent	402. 09	
		47, 252. 21
		3, 758, 562. 91

Construction in 1895:	
Exchange aerial	1, 322. 70
Underground conduits	350. 00
Underground cables	194. 34
Equipment	28, 659. 09
Toll lines	1, 679. 01
Total	32, 205. 14

CHAS. G. BEEBE, *Treasurer.*
ROBT. CARRUTHERS, *Auditor.*

Comparative statement.

	1892.	1893.	1894.	1895.
Gross revenue	$440, 624. 72	$465, 130. 47	$463, 934. 64	$490, 273. 32
Gross expenses	333, 701. 84	347, 962. 90	354, 304. 31	369, 848. 79
Net revenue	106, 922. 88	117, 167. 57	109, 630, 33	120, 424. 53
Dividends	66, 250. 00	53, 000. 00	53, 000. 00	53, 000. 00
Surplus	40, 672. 88	64, 167. 57	56, 630. 33	67, 424. 53
Construction	85, 499. 09	13, 360. 60	53, 984. 72	32, 205. 14

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
Washington, D. C., February 23, 1897.

To the Board of Directors of the Chesapeake and Potomac Telephone Company.

GENTLEMEN: I have the honor to make the following report of the operations of the company for the year ended December 31, 1896:

The gross earnings for the year were $508,217.68, as against $490,273.32 for 1895, an increase of $17,944 36, or 3.53 per cent.

The net earnings for the year were $115,015.28, as against $120,424.53 for the year 1895, a decrease of $5,409.25, or 4.70 per cent.

Extraterritorial and toll, real estate and miscellaneous receipts for the year were $34,155.49, as against $32,236.88 for the preceding year, an increase of $1,918.61.

Our real estate investment in Baltimore and leased building in Washington have yielded a net revenue of $3,393.66, a decrease, as compared with the preceding year, of $1,273.28. These figures include the rental allowed for those portions of the Baltimore and Washington buildings reserved for the company's use.

The total number of exchange stations in Washington is 1,851, of which 315 are metallic circuit and 1,536 are grounded circuit.

The total number of exchange stations in Baltimore is 2,908, of which 975 are metallic and 1,933 grounded circuit.

The total number of exchange stations in Western Maryland, including Annapolis, is 360, of which 122 are metallic circuit and 238 grounded circuit.

Making the whole number of exchange stations in the territory 5,119, of which 1,412 are metallic circuit and 3,707 are grounded circuit.

The extraordinary expenses during the year 1896 consisted of the entire reconstruction of the following toll lines:

Washington to Alexandria, 3½ miles	$2,109.52
Annapolis Junction to Annapolis, 20 miles	6,480.92
Baltimore to Westminster, 28 miles	2,792.38
Westminster to Frederick, 33 miles	6,382.52
Frederick to Hagerstown, 28 miles	5,835.30
Hagerstown to Waynesboro, 12 miles	2,773.83
Involving a cost of	26,374.47

the reconstruction of the pole lines, etc., at Martinsburg, W. Va., at a cost of $1,007.69, and with the extraordinary repairs to our Washington and Baltimore plants, necessitated by the great storm of September 29, 1896, costing over $11,000, accounts in some measure for the large sum placed to the debit of the maintenance account.

It was also necessary to reconstruct the heating plant in the Baltimore building by reason of the addition of two stories, the apparatus as originally constructed being found inadequate to supply heat sufficient for all of the seven stories.

The increase in our metallic circuit stations over those in operation at the beginning of the year is as follows:

Washington	109
Baltimore	286
Western Maryland	29
Total increase	424

The seven sections of the branch terminal switch board for the Baltimore building, referred to in my last report as in process of installation, were completed early in the year, and have since been in satisfactory operation.

Attached hereto will be found the financial and other reports, showing the business of the company in detail, all of which are respectfully submitted.

Very respectfully,

SAM'L M. BRYAN, *President.*

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
Washington, D. C., January 30, 1897.

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
(Mr. Samuel M. Bryan, president and general manager),
Washington, D. C.

DEAR SIR: I beg to submit this report, showing the amount of construction for the entire territory, and also a statement of the work done during the year ended December 31, 1896.

In Washington and its territory there are as follows:

65,230	feet of 100-pair, No. 19 gauge, Patterson underground cable.
37,063	feet of 50-pair, No. 19 gauge, Patterson underground cable.
13,222	feet of 50-pair, No. 18 gauge, Patterson underground cable.
550	feet of 25-pair, No. 19 gauge, Patterson underground cable.
100	feet of 10-pair, No. 19 gauge, Patterson underground cable.
116,165	total feet of pair cable.
18,104,000	total feet of conductor in pair cable.
3,428.8	total miles of conductor in pair cable.
22.0	total miles of cable.
5,728	feet of 100-wire 20-gauge Patterson underground cable.
6,525	feet of 50-wire 20-gauge Patterson underground cable.
12,253	total feet of grounded wire underground cable.
899,050	total feet of conductor in grounded wire underground cable.
170.2	miles of conductor in grounded wire underground cable.
2.3	miles of grounded wire.

128,418 total number of feet of underground cable of all kinds; 24.3 miles of underground cable of all kinds; 19,003,050 total number of feet of underground conductor of all kinds; 3,599 total number of miles of underground conductor of all kinds.

There are no aerial cables in this division.

The main subways contain the following ducts:

76 feet of 72-duct capacity, containing 5,472 feet of duct.
176 feet 3 inches of 64-duct capacity, containing 11,280 feet of duct.
774 feet 9 inches of 56-duct capacity, containing 43,386 feet of duct.
1,534 feet 5 inches of 40-duct capacity, containing 61,376 feet 8 inches of duct.
465 feet 6 inches of 32-duct capacity, containing 14,896 feet of duct.
304 feet 6 inches of 25-duct capacity, containing 7,612 feet 6 inches of duct.
2,072 feet 1 inch of 24-duct capacity, containing 49,730 feet of duct.
1,576 feet 3 inches of 18-duct capacity, containing 28,372 feet 6 inches of duct.
636 feet of 17-duct capacity, containing 10,812 feet of duct.
5,824 feet 9 inches of 16-duct capacity, containing 93,196 feet of duct.
212 feet of 13-duct capacity, containing 2,756 feet of duct.
4,963 feet 2 inches of 12-duct capacity, containing 59,558 feet of duct.
114 feet of 9-duct capacity, containing 1,026 feet of duct.
14,470 feet 2½ inches of 8-duct capacity, containing 115,761 feet 8 inches of duct.
82 feet 6 inches of 7-duct capacity, containing 577 feet 6 inches of duct.
20,009 feet 6 inches of 6-duct capacity, containing 120,057 feet of duct.
65 feet 6 inches of 4-duct capacity, containing 262 feet of duct.
53,357 feet 4½ inches, total length of trench, containing 626,131 feet 10 inches of duct.

The branch subways contain:

1,942 feet 11 inches of 2-duct capacity in streets containing 3,885 feet 10 inches of duct.
4,765 feet 2 inches of 1-duct capacity in streets containing 4,765 feet 2 inches of duct.
1,000 feet 8 inches of 2-duct capacity in alleys containing 2,001 feet 4 inches of duct.
9,951 feet 4 inches of 1-duct capacity in alleys containing 9,951 feet 4 inches of duct.
17,670 feet 1 inch total length of branch trench containing 30,603 feet 8 inches of duct.

TOTAL FOR CITY.

Total trench subway, 71,027 feet 5½ inches, containing 646,735 feet 6 inches of duct; total miles trench subway 13.5, containing 122.5 miles of duct.

There are 152 B manholes, 41 A manholes, 9,045 feet of asphalt trench conduit, 1.7 miles, containing 12,590 feet of duct, 2.4 miles.

There are 1,308 poles in the city limits, 2,936 in the county in this division; total, 4,244 in this division, or 120 miles of pole line, a decrease of 4 poles up. House-top fixtures up, 8.

There are at present 2,197.3 miles of wire on poles, 45 miles on house tops; total, 2,242.3 miles of aerial wire up; making a total of 5,841.3 miles of wire of all kinds.

Two hundred and seventy-five miles of the aerial wire is No. 12 N. B. S. copper, 591 miles is No. 12 B. and S. copper, 1,376.3 miles is iron and steel; total, 2,242.3 miles aerial wire.

There is provision for 56 100-pair cables to enter exchange. There are 20 100-pair cables entering exchange at present with 4,000 wires, of which 2,091 are in use.

WORK DONE IN 1896.

During the year there were 13 new poles set in the city limits, none in the country limits; 88 old poles replaced with new ones in the city, 173 in the county; 17 old poles abandoned in the country, being of no further use; 31 poles moved on account of improvements, etc.; making a decrease of 4 poles up during the year.

Have put up 707 miles of wire, and have taken down 518 miles, making an increase of 189 miles for the year.

Have drawn in the following cable: 22,916 feet of 100-pair 19-gauge, 6,025 feet of 50-pair 19-gauge, 6,530 feet of 50-pair 18-gauge, 3 feet of 25-pair 19-gauge, 100 feet of 10-pair 19-gauge Patterson underground cable; total, 35,574 feet cable drawn in in 1896.

Have drawn out 1,035 feet of 100-pair 19-gauge, 7,581 feet of 50-pair 19-gauge, 11,159 feet of 50-pair 18-gauge, 140 feet of 10-pair 18-gauge Patterson underground cable; total, 19,915 feet of cable drawn out in 1896.

Have abandoned 19,839 feet of 100-wire 20-gauge, 32,093 feet of 50-wire 20-gauge, 370 feet of 100-wire 22-gauge, 1,229 feet of 50-wire 22-gauge, 3,592 feet of 50-wire 26-gauge, Patterson underground cable; 305 feet of 50-wire 20-gauge Phillips under ground cable; total, 57,328 feet of grounded wire cable abandoned, containing 3,881,850 feet of conductor.

This cable was in the solid system, and is abandoned on account of the Metropolitan Railroad Company paying for its transfer to the conduit system.

CONDUIT LAID IN 1896.

Main subways, none.

Branches, streets, 360 feet of 1-duct capacity, containing 360 feet; 360 feet total length of trench, containing 360 feet.

Branches, alleys, 640 feet 9 inches of 1-duct capacity, containing 640 feet; total laid in 1896, 1,000 feet 9 inches of trench, containing 1,000 feet 9 inches.

Abandoned main subways, 105 feet of 12-duct capacity, containing 1,260 feet of duct; 100 feet 10 inches of 6-duct capacity, containing 605 feet of duct.

NOTE.—Changing manhole changes 1 foot of conduit from 17-duct to 16-duct capacity of 1 foot of duct; changing manhole changes 101 feet 6 inches of conduit from 7-duct to 6-duct capacity, 101 feet 6 inches of duct; total, 102 feet 6 inches duct.

Abandoned branches, streets, 202 feet of 2-duct capacity, containing 404 feet of duct; 522 feet of 1-duct capacity, containing 522 feet of duct.

Abandoned branches, alleys, 5 feet 4 inches of 1-duct, 5 feet 4 inches of duct.

Have abandoned 15,235 feet of asphalt conduit, containing 58,161 feet of asphalt duct, on account of the cables occupying these ducts being abandoned.

Wires and subscribers at Washington December 31, 1896.

	Wires.		Stations.	
GROUNDED CIRCUITS.				
Special	1,383		1,391	
Semispecial, 1 station	12		12	
Semispecial, 2 stations	39		78	
General, 1 station	3		3	
General, 2 stations	2		4	
General, 3 stations	5		15	
General, 4 stations	2		8	
General, 6 stations	1		6	
Total grounded wires and stations	1,447		1,517	
Government departments, switch-board trunks	13		30	
Total		1,460		1,547
METALLIC CIRCUITS.				
Lines of 1 station	239		239	
Lines of 2 stations	17		34	
Lines of 3 stations	1		3	
Lines of 4 stations	2		8	
Lines of 5 stations	1		5	
Total metallic wires and stations		260		289
Total exchange subscribers		1,720		1,836
Metallic circuits in National Museum switch board	.....		12	
A. T. and T. pay stations, metallic	4		4	
Gray automatic pay stations, metallic	6		9	
Gray automatic pay stations, grounded circuit	1		1	
A. T. and T. subscribers	9		9	
A. T. and T. trunks to Baltimore	5		.....	
C. and P. trunks to Baltimore	4		.....	
C. and P. trunks to Alexandria	3		.....	
		32		35
Total lines and stations connected with the exchange		1,752		1,871

Treasurer's statement for year ended December 31, 1896.

REVENUE.

Exchange service		$453,018.41
Toll service		17,304.32
Private line earnings		16,243.90
Messenger earnings		689.77
Real estate revenue		9,216.20
Dividends and interest		4,110.11
Miscellaneous revenue		7,634.97
		508,217.68

EXPENSES.

General	$80,589.02	
Operating	61,665.75	
Maintenance	180,000.00	
Telephone rental and switch-board royalty (not including private line)	37,548.79	
Private line—Instrument rental, etc	3,078.06	
Messenger expense	1,309.82	
Real estate expense	6,323.24	
Interest	22,687.72	
		393,202.40
		115,015.28

Disposition of net revenue:	
Dividends on capital stock	79,500.00
Surplus	35,515.28

Balance sheet, December 31, 1896.

ASSETS.

Franchise	$692,600.00
Construction	2,743,322.13
Real estate	156,931.16
Sinking fund	89,886.94
Supplies	41,878.27
Account receivable	32,290.25
Cash	942.77
	3,757,851.52

LIABILITIES.

Capital stock		2,650,000.00
Bonded debt		400,000.00
Surplus		610,854.83
Accounts payable		88,128.50

RESERVE.

For unearned rentals	$6,400.70	
For accrued interest	2,067.49	
For office rent	400.00	
		$8,868.19
		3,757,851.52

Construction in 1896:	
Exchange, aerial	4,211.48
Underground conduits	2.25
Underground cables	5,366.72
Equipment	4,270.38
Toll lines	4,313.63
Total	18,164.46

CHARLES G. BEEBE, *Treasurer.*
J. E. DE SAULES, *Acting Auditor.*

Comparative statement.

	1893.	1894.	1895.	1896.
Gross revenue	$465,130.47	$463,934.64	$490,273.32	$508,217.68
Gross expenses	347,962.90	354,304.31	369,848.79	393,202.40
Net revenue	117,167.57	109,630.33	120,424.53	115,015.28
Dividends	53,000.00	53,000.00	53,000.00	79,500.00
Surplus	64,167.57	56,630.33	67,424.53	35,515.28
Construction	13,360.60	53,984.72	32,205.14	18,164.46

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
Washington, D. C., February 23, 1898.

The BOARD OF DIRECTORS
OF THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY.

GENTLEMEN: I have the honor to make the following report of the operations of the company for the year ended December 31, 1897:

The gross earnings for the year were $531,471.88, as against $508,217.68 for 1896, an increase of $23,254.20, or 4.57 per cent.

The net earnings for the year were $124,582.49, as against $115,015.28 for the year 1896, an increase of $9,567.21, or 8.32 per cent.

Extraterritorial and toll, real estate, and miscellaneous receipts for the year were $40,052.50, as against $34,155.49 for the preceding year, an increase of $5,897.01.

Our real-estate investment in Baltimore and leased building in Washington have yielded a net revenue of $3,998.33, an increase, as compared with the preceding year, of $604.67. These figures include the rental allowed for those portions of the Baltimore and Washington buildings reserved for the company's use.

The total number of exchange stations in Washington is 2,153, of which 827 are metallic circuit and 1,326 are grounded circuit.

The total number of exchange stations in Baltimore is 3,069, of which 1,469 are metallic circuit and 1,600 are grounded circuit.

The total number of exchange stations in western Maryland, including Annapolis, is 372, of which 238 are metallic circuit and 134 are grounded circuit.

Making the whole number of exchange stations in the territory 5,594, of which 2,534 are metallic circuit and 3,060 are grounded circuit.

The increase in our metallic-circuit stations over those in operation at the beginning of the year is as follows:

Washington	512
Baltimore	494
Western Maryland	111
Total increase	1,117

The amount added to construction equipment and construction during the year 1897 was $39,654.28, as follows:

Construction equipment	$16,875.25
Aerial cables in Baltimore	3,303.81
Toll lines, Maryland division	19,475.22

The expenses during the year which might be termed extraordinary amount to $27,280.90, made up as follows:

Aerial cables in Washington	$1,267.51
Reconstruction of a portion of Washington underground system, which is a change from the solid to the drawing-in system	21,398.85
Rebuilding the line on the right of way of the Postal Telegraph Company on Woodley road	2,577.94
Moving Hagerstown exchange	1,353.53
Rebuilding line from Boonesboro to Sharpsburg, Md., within the Hagerstown limits	683.07

The long toll line connecting Baltimore with Cumberland, by way of Westminster, Frederick, and Hagerstown, was completed as to that portion between Hagerstown and Cumberland (68 miles), and opened to the public for business on November 9, 1897.

During the year the company purchased, at a cost of $6,000, a large lot in Washington, on which it proposes at an early date to begin the erection of a building for wareroom and storage purposes.

Attached hereto will be found the financial and other reports, showing the business of the company in detail, all of which are respectfully submitted.

Very respectfully,

——— ———,
President.

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
Washington, D. C., January 31, 1898.

The CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
(Mr. Samuel M. Bryan, president and general manager)
Washington, D. C.

DEAR SIR: I beg to submit this report, showing the amount of construction for the entire territory, and also a statement of the work done during the year ended December 31, 1897:

In Washington and its territory there are as follows:

89, 160 feet of 100-pair, No. 19 gauge, Patterson underground cable.
39, 566 feet of 50-pair, No. 19 gauge, Patterson underground cable.
15, 252 feet of 50-pair, No. 18 gauge, Patterson underground cable.
936 feet of 25-pair, No. 19 gauge, Patterson underground cable.
100 feet of 10-pair, No. 19 gauge, Patterson underground cable.

145, 014 total feet of underground cable.
23, 362, 600 total feet of conductor in underground cable.
4, 424. 7 total miles of conductor in underground cable.
27. 5 total miles of cable.
6, 807 feet of 25-pair, No. 19 gauge, Patterson aerial cable.
340, 350 feet of No. 19-gauge Patterson aerial conductor.

64. 5 miles of conductor in aerial cables.
1. 3 miles of aerial cable.
151, 821 total number of feet of cable of all kinds.
28. 76 miles of cable of all kinds.
23, 702, 950 total number of feet of conductor of all kinds.
4, 489. 2 total number of miles of conductor of all kinds.

The main subways contain the following ducts:

76 feet of 72-duct capacity, containing 5,472 feet of duct.
176 feet 3 inches of 64-duct capacity, containing 11,280 feet of duct.
748 feet 9 inches of 56-duct capacity, containing 41,930 feet of duct.
1,534 feet 5 inches of 40-duct capacity, containing 61,376 feet 8 inches of duct.
26 feet of 36-duct capacity, containing 936 feet of duct.
465 feet 6 inches of 32-duct capacity, containing 14,896 feet of duct.
304 feet 6 inches of 25-duct capacity, containing 7,612 feet 6 inches of duct.
2,072 feet 1 inch of 24-duct capacity, containing 49,730 feet of duct.
26 feet of 20-duct capacity, containing 520 feet of duct.
1,576 feet 3 inches of 18-duct capacity, containing 28,372 feet 6 inches of duct.
636 feet of 17-duct capacity, containing 10,812 feet of duct.
5,824 feet 9 inches of 16-duct capacity, containing 93,196 feet of duct.
212 feet of 13-duct capacity, containing 2,756 feet of duct.
4,963 feet 2 inches of 12-duct capacity, containing 59,558 feet of duct.
114 feet of 9-duct capacity, containing 1,026 feet of duct.
18,085 feet 1½ inches of 8-duct capacity, containing 144,681 feet of duct.
82 feet 6 inches of 7-duct capacity, containing 577 feet 6 inches of duct.
23,065 feet 3 inches of 6-duct capacity, containing 138,391 feet 6 inches of duct.
348 feet 11 inches of 4-duct capacity, containing 1,395 feet 8 inches of duct.
60,337 feet 5½ inches total length of trench, containing 674,519 feet 4 inches.

The branch subways contain—

2,759 feet 2 inches of 2-duct capacity in streets, containing 5,518 feet 4 inches of duct.
4,757 feet of 1-duct capacity in streets, containing 4,757 feet of duct.
1,175 feet 9 inches of 2-duct capacity in alleys, containing 2,351 feet 6 inches of duct.
10,723 feet 5 inches of 1-duct capacity in alleys, containing 10,723 feet 5 inches of duct.
19,415 feet 4 inches total length of branch trench, containing 23,350 feet 3 inches of duct.

TOTAL FOR CITY.

Total of trench subway, 79,752 feet 9½ inches, containing 697,869 feet 7 inches of duct, of which 234,174 feet is occupied by cables.

Total miles of trench subway, 15.1, containing 132.2 miles of duct.

There are 182 "B" manholes, 41 "A" manholes.

There are 1,400 poles in the city limits, 3,627 in the county, in this division; total, 5,027 in this division, or 143.6 miles of pole line; an increase of 783 poles up. House-top fixtures up, 8; bridge fixtures up, 26.

There are at present 2,818.3 miles of line wire on poles, 45 miles of line wire on house tops; total, 2,863.3 miles of aerial line wire up, making a total 7,352.5 miles of wire of all kinds; making an increase of 1,511.2 miles of wire of all kinds for the year.

509 miles of the aerial wire is No. 12 N. B. S. copper.
897 miles of the aerial wire is No. 12 B. & S. copper.
1,457.3 miles of the aerial wire is iron and steel.

2,863.3 total aerial line wire.

There is provision for 56-100 pair cables to enter exchange. There are 23-100 pair cables entering exchange at present, containing 4,600 wires, of which 2,600 are in use.

WORK DONE IN 1897.

During the year there were 94 new poles set in the city limits, 691 new poles set in the country, 130 old poles replaced with new ones in the city, 221 old poles replaced with new ones in the county, 2 old poles abandoned in the city, being of no further use, 59 poles moved on account of improvements, etc., making an increase of 783 poles during the year.

Have put up 796.5 miles of line wire, of which 325.5 miles is No. 12 B. & S. copper, 246 miles is No. 12 N. B. S. copper, and 225 miles is iron and steel.

Have taken down 175.5 miles of line wire, of which 19.5 miles is No. 12 B. & S. copper, 12 miles is No. 12 N. B. S. copper, and 144 miles is iron and steel, making an increase of 621 miles of line wire for the year.

Have put up 26 bridge fixtures.

Have drawn in the following cable: 23,930 feet of 100-pair 19-gauge, 2,503 feet of 50-pair 19-gauge, 2,844 feet of 50-pair 18-gauge, 386 feet of 25-pair 19-gauge Patterson underground cable; total, 29,663 feet of underground cable drawn in, in 1897; 6,890 feet of 25-pair 19-gauge aerial cable put up in 1897.

Have drawn out 814 feet of 50-pair 18-gauge Patterson underground cable; 83 feet of 25-pair 19-gauge Patterson aerial cable; total, 897 feet of cable drawn out in 1897.

Have abandoned 5,728 feet of 100-wire 20-gauge, 6,525 feet of 50-wire 20-gauge Patterson underground cable; total, 12,253 feet of grounded wire cable abandoned, containing 899,050 feet of conductor.

This cable was in the solid system, and is abandoned on account of having been replaced by metallic cable in the new conduits.

CONDUIT LAID IN 1897.

Main subways, 3,614 feet 11 inches, of 8-duct capacity, containing 28,919 feet 4 inches; 3,106 feet 10 inches, of 6-duct capacity, containing 18,641 feet; 283 feet 5 inches, of 4-duct capacity, containing 1,133 feet 8 inches. Total length of trench, 7,005 feet 2 inches, containing 48,694 feet.

Branches, streets, 863 feet 8 inches, of 2-duct capacity, containing 1,727 feet 4 inches; 138 feet 9 inches, of 1-duct capacity, containing 138 feet 9 inches. Total length of trench, 1,002 feet 5 inches, containing 1,866 feet 1 inch.

Branches, alleys, 175 feet 1 inch, of 2-duct capacity, containing 350 feet 2 inches; 799 feet 1 inch, of 1-duct capacity, containing 799 feet 1 inch. Total length of trench, 974 feet 2 inches, containing 1,149 feet 3 inches.

Total laid in 1897, 8,981 feet 9 inches of trench, containing 51,709 feet 4 inches; 30 new "B" manholes constructed.

Abandoned main subways, 51 feet 1 inch, of 6-duct capacity, containing 306 feet 6 inches.

Abandoned branches (streets), 47 feet 5 inches of 2-duct capacity, containing 94 feet 10 inches; 46 feet 11 inches of 1-duct capacity, containing 46 feet 11 inches.

Abandoned branches (alleys), 27 feet of 1-duct, 27 feet of duct.

Have abandoned 9,045 feet of asphalt conduit, containing 12,590 feet of asphalt duct, on account of the cables occupying these ducts being abandoned.

In Washington there are the following toll lines:

Location of line.	Length.	Number of wires.	Miles of toll pole line.	Miles of toll wire.
Washington to Laurel, Md	22	4 pairs.	22	176
Washington to Waterloo, Va	5	3 pairs.	5	30
Washington to Takoma Park, D. C	6	1 pair.	.....	12
Washington to Hyattsville, Md	7	1 wire.	3	7
Washington to Rockville, Garrett Park, and Kensington, Md.	19	1 pair.	19	38
Total	.....	.....	49	263

This toll pole line and toll wire is included in the statement of poles and wire hereinbefore mentioned.

Wires and subscribers connected with the Washington exchange December 31, 1897.

	Wires.	Stations.
GROUNDED CIRCUITS.		
Special	1,174	1,182
Semispecial, 1 station	13	13
Semispecial, 2 stations	30	60
General, 1 station	5	5
General, 3 stations	5	15
General, 4 stations	2	8
General, 6 stations	1	6
Government Department switch boards, trunks	8	19
Total	1,238	1,308
METALLIC CIRCUITS.		
Lines of 1 station	443	443
Lines of 2 stations	43	86
Lines of 4 stations	3	12
Pay stations	113	132
Government Department switch boards, trunks	16	163
Total	618	836
Total exchange subscribers	1,856	2,144
C. and P. trunks to Baltimore	4	.....
C. and P. trunks to Alexandria, Va	3	.....
A., T. and T. trunks to Baltimore	4	.....
A., T. and T. trunks to New York	1	.....
A., T. and T. trunks to Manchester, Va	1	.....
A., T. and T. terminal-loop subscribers	6	.....
Total	19	6
Total lines and stations connected with the exchange	1,875	2,150

MARYLAND DIVISION.

In Baltimore there are 635 feet of 100-pair 19-gauge, 20,570 feet of 100-pair 18-gauge, 179,475 feet of 50-pair 18-gauge, 8,720 feet of 50-pair 19-gauge Patterson underground cable.

In Baltimore there are 401 feet of 25-pair 18-gauge, 365 feet of 15-pair 19-gauge, total 210,166 feet of Patterson underground cable; 39.8 total miles of Patterson underground cable, 23,091,500 total feet of Patterson underground conductor, 4,373.4 total miles of Patterson underground conductor; 700 feet of 25-pair 19-gauge Patterson aerial cable, 35,000 feet of conductor in 19-gauge Patterson aerial cable, 6.6 miles of conductor in 19-gauge Patterson aerial cable.

The main subways contain the following ducts:

544 feet 6 inches of 72-duct capacity, containing 39,204 feet of duct.
60 feet of 50-duct capacity, containing 3,000 feet of duct.
140 feet 6 inches of 42-duct capacity, containing 5,901 feet of duct.
9 feet of 38-duct capacity, containing 3,610 feet of duct.
3,593 feet 7 inches of 36-duct capacity, containing 129,369 feet of duct.
919 feet 11 inches of 30-duct capacity, containing 31,127 feet 6 inches of duct.
3,443 feet 2 inches of 24-duct capacity, containing 82,636 feet of duct.
1.172 feet of 20-duct capacity, containing 23,440 feet of duct.

5,281 feet 4 inches of 18-duct capacity, containing 95,064 feet of duct.
10,285 feet 7 inches of 12-duct capacity, containing 123,427 feet of duct.
2,076 feet 11 inches of 8-duct capacity, containing 16,615 feet 4 inches of duct.
27,009 feet 9 inches of 6-duct capacity, containing 162,058 feet 6 inches of duct.
537 feet 6 inches of 2-duct capacity, containing 1,075 feet of duct.
55,073 feet 9 inches total main subway trench, containing 716,527 feet 4 inches of duct.

The branch subways contain:

124 feet of 6-duct capacity in branches streets, containing 744 feet duct.
3,434 feet 1 inch of 2-duct capacity in branches streets, containing 7,096 feet 2 inches duct.
83 feet 3 inches of 1-duct capacity in branches streets, containing 188 feet 3 inches duct.
443 feet 1 inch of 2-duct capacity in branches alleys, containing 886 feet 2 inches duct.
4,084 feet 5 inches total length of trench branches, containing 8,914 feet 7 inches duct.

Total for city: 59,158 feet 3 inches total length of trench, containing 725,341 feet 11 inches of duct, of which 210,166 feet is occupied by cables; 11.2 miles of trench, containing 137.3 miles of duct, 69 feet of tunnel, 51 "A" manholes, 106 "B" manholes.

There is provision for 180 50-pair cables to enter the exchange. There are 68 50-pair cables entering the exchange at present, containing 6,800 wires, of which 4,490 are in use.

There are 1,950 poles in the city limits and 3,686 in the county, making a total of 5,636 poles in this territory, or 161 miles of pole line.

There are 38 house-top fixtures. There are 3,215.7 miles of line wire up, of which 561.2 miles is of No. 12 N. B. S. copper, 2,234.6 miles is of No. 12 B. & S. copper, 419.9 miles is of iron and steel; 325 miles of this wire is on buildings, making the total amount of wire, both underground and aerial, 7,595.7.

WORK DONE IN 1897.

During the year there were set 52 new poles in the city, 25 in the county; replaced on account of being too short or decayed, 124 in the city, 113 in the country; moved on account of improvements, etc., 35, making an increase for the year of 77 poles.

Have put up 753.4 miles of wire, of which 549.9 miles is of No. 12 B. & S. copper; 130.1 miles is of No. 12 N. B. S. copper, and 73.4 miles is of iron and steel.

Have taken down 720.4 miles of wire, of which 7.2 miles is of No. 12 N. B. S. copper and 577.4 miles is of No. 12 B. & S. copper, and 135.8 miles is of iron and steel wire, making an increase of 33 miles of line wire up for the year.

Have laid 210 feet of 19-gauge 50-pair and 550 feet of 19-gauge 100-pair Patterson underground cable, and 700 feet of 25-pair 19-gauge aerial cable.

Have replaced 1,020 feet of 18-gauge 50-pair Patterson cable with 1,020 feet of 19-gauge 50-pair Patterson cable.

New conduits have been constructed during the year as follows: 109 feet 8 inches of 2 duct conduit, 33 feet of 1 duct conduit. At South and German streets 1 "B" manhole.

In Baltimore there are the following toll lines:

Location of line.	Length of line.	Wires.	Toll pole line.	Toll wire.
	Miles.		*Miles.*	*Miles.*
Baltimore to Laurel	23	5 pairs	23	230
Baltimore to Jessups	16	1 pair	1	36
Baltimore to Reisterstown	16	4 pairs	16	128
Baltimore to Annapolis	40	1 pair	22	80
Baltimore to Arlington	5	1 pair	1	10
Baltimore to Catonsville	8.7	1 pair	8.7	17.4
Baltimore to Ellicott City	14.4	1 pair	4.5	28.8
Baltimore to Waverly	3	1 pair	0	6
Baltimore to Govanstown	6	1 pair	1	12
Baltimore to Luthersville	10.4	3 pairs	10.4	62.4
Baltimore to Towson	9.5	1 pair	0	19
Baltimore to Mount Washington	7.3	1 pair	3	14.6
Baltimore to Roland Park	5	1 pair	1	10
Baltimore to Woodbury	8.3	1 pair	3.8	7.6
Baltimore to Butechky's Hotel	11	1 pair	9	22
Total			104.4	683.8

This toll pole line and toll wire is included in the statement of poles and wire hereinbefore mentioned.

CUMBERLAND, FROSTBURG, AND LONACONING.

Number of feet 50-pair 19 gauge Patterson aerial cable	52
Number of poles up	1,963
Number of miles of pole line	58.3
Number of miles of wire up, of which 98 miles is N. B. S. copper	242.7
Number of feet of 25-pair 19 gauge Patterson aerial cable up	1,510
Number of feet of conductor in Patterson aerial cable up	80,700
Number of miles of conductor in Patterson aerial cable up	15.2
Number of poles set in 1897	1,028
Number of poles replaced in 1897	1,010
Number of poles abandoned in 1897	90
Number of miles of wire put up in 1897, of which 98 miles is No. 12 N. B. S. copper	108
Number of miles of wire taken down in 1897	10
Number of feet of 50-wire 22 gauge aerial cable taken down in 1897	410

In Cumberland there are the following toll pole lines and wires:

Location of line.	Wires.	Toll pole line.	Toll wire.
		Miles.	*Miles.*
Cumberland to Washington County line	1 pair	29.5	59
Cumberland to Lonaconing	2 pair	19.0	76
Frostburg to Mount Savage	1 pair, 4.5 miles	0	9
Frostburg to Eckhart	1 pair	0	3
Lonaconing to Pompey	1 wire	0	8
Total		48.5	155

FREDERICK, MD.

Number of poles up	2,279
Number of miles of pole line	75
Number of feet of 50-pair 18-gauge Patterson underground cable	162
Number of feet of conductor in Patterson underground cable	16,200
Number of miles of conductor in Patterson underground cable	3
Number of miles of wire up (of which 67 is No. 12 N. B. S. copper)	313.5
Number of poles set in 1897	0
Number of poles replaced in 1897	43
Number of poles taken down in 1897	172
Number of miles of wire put up in 1897 (of which 0 is No. 12 N. B. S. copper)	29
Taken down in 1897	16.5

In Frederick there are the following toll pole lines and wires:

Location of line.	Wires.	Toll pole line.	Toll wire.
		Miles.	*Miles.*
Frederick to Washington County line	2 pairs	13	52
Frederick to Myersville	1 pair	4	26
Frederick to Carroll County line	2 pairs, 20 miles	20	80
Frederick to Johnsville	1 pair	0	40
Frederick to Walkersville	1 wire	8	7
Frederick to Adamstown	1 wire	9	9
Total		49	214

HAGERSTOWN, MD.

Number of feet of 2-duct conduit laid	300
Number of feet of 2-duct in conduit laid	600
Number of "B" manholes	2
Number of feet of 25-pair 19-gauge Patterson aerial cable	400
Number of feet of conductor in Patterson aerial cable	20,000
Number of miles of conductor in Patterson aerial cable	4
Number of feet of 100-pair 19-gauge Patterson underground cable	200
Number of feet of 50-pair 19-gauge Patterson underground cable	240
Number of feet of conductor in Patterson underground cable	64,000

Number of miles of conductor in Patterson underground cable	10.5
Number of poles up	2,617
Number of miles of pole line	78
Number of miles of wire up (of which 138 is No. 12 N. B. S. copper)	323
Number of poles set in 1897	1,176
Number of poles replaced in 1897	325
Number of poles abandoned in 1897	75
Number of miles of wire put up in 1897 (of which 92.5 is No. 12 N. B. S. copper)	128.5
Number of miles of wire taken down in 1897	6
Number of feet of 2-duct conduit laid in 1897	300
Number of feet of 2-duct laid in 1897	600
Number of "B" manholes built in 1897	2
Number of feet of 100-pair 19-gauge Patterson underground cable laid in 1897	200
Number of feet of 50-pair 19-gauge Patterson underground cable laid in 1897	240
Number of feet of 25-pair 19-gauge Patterson aerial cable, put up in 1897	400
Number of feet of 50-pair 19-gauge Patterson underground cable taken down in 1897	240

There are the following toll lines in Hagerstown:

Location of line.	Wires.	Toll pole line.	Toll wire.
		Miles.	*Miles.*
Hagerstown to Allegany County line	1 pair, 38.5 miles	38.5	77
Hagerstown to Williamsport	1 pair, 6.5 miles	0	13
Hagerstown to Frederick County line	2 pairs, 15.5 miles	15.5	62
Hagerstown to Pennsylvania line	1 pair	9	18
Hagerstown to Smithsburg	1 pair	3	20
Hagerstown to Sharpsburg	1 pair	6.5	37
Total		72.5	227

WESTMINSTER, MD.

Number of feet of 50-pair 18-gauge Patterson aerial cable up	35
Number of feet of conductor in Patterson aerial cable up	3,500
Number of miles of conductor in Patterson aerial cable up	.7
Number of poles up	1,469
Number of miles of pole line	44.5
Number of miles of wire up (of which 111.5 is No. 12 N. B. S. copper)	190
Number of poles set in 1897	15
Number of poles replaced in 1897	0
Number of miles of wire put up in 1897 (of which 14.5 is No. 12 N. B. S. copper)	18
Number of miles of wire taken down in 1897	3.5
Number of poles taken down in 1897	0

There are the following toll pole lines and wires in Westminster:

Location of line.	Wires.	Toll pole line.	Toll wire.
		Miles.	*Miles.*
Westminster to Frederick County	2 pairs, 12.5 miles	12.5	50
Westminster to Reisterstown	3 pairs, 12 miles	12	72
Westminster to Manchester	1 wire	9.5	10
Westminster to Union Bridge	1 pair	0	10
Westminster to Taneytown	1 pair, 14 miles	6	28
Total		40	170

MARTINSBURG, W. VA.

Number of poles up	109
Number of miles of pole line	3.5
Number of miles of wire up	18.7
Number of feet of 50-pair 19-gauge Patterson aerial cable	45
Number of feet of conductor in Patterson aerial cable	4,500
Number of miles of conductor in Patterson aerial cable	.8
Number of poles set in 1897	0
Number of poles replaced in 1897	0
Number of miles of wire put up in 1897	0

ANNAPOLIS, MD.

Number of feet of 50-pair 19-gauge Patterson aerial cable	105
Number of feet of conductor in Patterson aerial cable	10,500
Number of miles of conductor in Patterson aerial cable	2
Number of poles up	83
Number of miles of pole line	2.8
Number of miles of wire up (of which 2 are No. 12 N. B. S. copper)	15
Number of poles set in 1897	8
Number of miles of wire put up in 1897 (No. 12 N. B. S. copper)	1.5
Number of miles of wire taken down in 1897	0

MOUNT WASHINGTON, MD.

Number of poles up	57
Number of miles of pole line	2
Number of miles of wire up	12.5
Number of poles set in 1897	0
Number of poles abandoned in 1897	0
Number of miles of wire put up in 1897	0

This is managed by Mr. M. B. Cockran.

LUTHERVILLE, MD.

Number of feet of 50-pair 19-gauge Patterson underground cable	89
Number of feet of conductor in Patterson underground cable	8,900
Number of miles of conductor in Patterson underground cable	1.7
Number of poles up	882
Number of miles of pole line	29.5
Number of miles of wire up	148
Number of poles set in 1897	0
Number of poles abandoned in 1897	0
Number of miles of wire put up in 1897	5
Number of miles of wire taken down in 1897	5
Number of feet of 50-pair 19-gauge underground cable laid in 1897	89
Containing miles of conductor	1.7

This is managed by Mr. M. B. Cockran.

TOTALS FOR THE ENTIRE TERRITORY.

Poles up	20,122
Miles of pole line	598.2
Miles of line wire	7,299.9
Feet of aerial cable	9,654
Miles of aerial conductor	90.2
Feet of underground cable	355,871
Miles of underground cable	67.3
Feet of underground conductor	46,543,200
Miles of underground conductor	8,813.3
Miles of wire of all kinds	15,753.3
Feet of trench conduit	139,210.11½
Miles of trench conduit	26.3
Feet of duct	1,423,811.6
Miles of duct	269.5
"A" manholes	92
"B" manholes	290
Feet of tunnel	69
Housetop fixtures	46

Total toll lines.

	Toll pole line.	Toll wire.
	Miles.	*Miles.*
Washington, D. C	49	263
Baltimore, Md	104.4	283.8
Frederick, Md	49	214
Hagerstown, Md	72.5	227
Westminster, Md	40	170
Cumberland, Md	48.5	155
Total	363.4	1,712.8

Total work done in 1897 for the entire territory.

New poles set	3,089
Poles replaced	966
Poles abandoned	249
Poles moved	94
Miles of wire put up	1,839.9
Miles of wire taken down	936.9
Feet of cable laid	40,452
Feet of cable replaced	1,020
Feet of underground cable abandoned	13,150
Feet of aerial cable abandoned	650
Trench conduit laid	9,524 feet 5 inches
Duct laid	52,561 feet 8 inches
"B" manholes built	33
Conduit abandoned	9,096 feet 1 inch
Duct abandoned	12,896 feet 6 inches

On the following pages are condensed comparative statements as to the entire territory, for your convenience.

Totals for the entire territory.

	Poles up.	Pole line.	Line wire.	Aerial cable.	Aerial conductor.	Underground cable.	Underground cable.
				Feet.	*Miles.*	*Feet.*	*Miles.*
Baltimore	5,636	161	3,215.7	700	6.6	210,166	39.8
Cumberland	1,963	58.3	242.7	1,562	15.2	0	0
Frederick	2,279	75	301	0	0	162	0
Hagerstown	2,617	78	323	400	.4	440	0
Westminster	1,469	44.5	190	35	.7	0	0
Martinsburg	109	3.5	18.7	45	.8	0	0
Annapolis	83	2.8	15	105	2	0	0
Mount Washington	57	2	12.5	0	0	0	0
Lutherville	882	29.5	148	0	0	89	0
Total Maryland division	15,095	454.6	4,466.6	2,847	25.7	210,857	39.8
Total Washington	5,027	143.6	2,833.3	6,807	64.5	145,014	27.5
Total entire territory	20,122	598.2	7,299.9	9,654	90.2	355,871	67.3

	Underground conductor.	Underground conductor.	Wire of all kinds.	Trench conduit.	Trench conduit.	Duct.
	Feet.	*Miles.*	*Miles.*	' "	*Miles.*	' "
Baltimore	23,091,500	4,373.4	7,595.7	59,158 2	11.2	725,341 11
Cumberland	0	0	257.9	0	0	0
Frederick	16,200	3	316.5	0	0	0
Hagerstown	64,000	10.5	337.5	300 0	0	600 0
Westminster	0	0	190.7	0	0	0
Martinsburg	0	0	19.5	0	0	0
Annapolis	0	0	17	0	0	0
Mount Washington	0	0	12.5	0	0	0
Lutherville	8,900	1.7	149.7	0	0	0
Total Maryland division	23,180,600	4,388.6	8,897	59,458 2	11.2	725,941 11
Total Washington	23,362,600	4,424.7	6,856.3	79,752 9½	15.1	697,369 7
Total entire territory	46,543,200	8,813.3	15,753.3	139,210 11½	26.3	1,423,311 6

	Duct.	"A" manholes.	"B" manholes.	Tunnel.		House-top fixtures.
	Miles.			*Ft.*	*In.*	
Baltimore	137.3	51	106	69	0	38
Cumberland	0	0	0		0	0
Frederick	0	0	0		0	0
Hagerstown	0	0	2		0	0
Westminster	0	0	0		0	0
Martinsburg	0	0	0		0	0
Annapolis	0	0	0		0	0
Mount Washington	0	0	0		0	0
Lutherville	0	0	0		0	0
Total Maryland division	137.3	51	108	69	0	38
Total Washington	132.2	41	182		0	8
Total entire territory	269.5	92	290	69	0	46

Totals for the entire territory—Continued.

	Toll pole line.	Toll wire.
	Miles.	*Miles.*
Baltimore	104.4	683.8
Frederick	49	214
Hagerstown	72.5	227
Westminster	40	170
Cumberland	48.5	155
Total in Maryland division	314.4	1,449.8
Washington	49	263
Total for entire territory	363.4	1,712.8

Total work done in 1897.

	Poles set.	Poles replaced.	Poles abandoned.	Poles moved.	Wire put up.	Wire taken down.
					Miles.	*Miles.*
Baltimore	77	237	0	35	753.4	720.4
Cumberland	1,028	10	0	0	108	10
Frederick	0	43	172	0	29	16.5
Hagerstown	1,176	325	75	0	128.5	6
Westminster	15	0	0	0	18	3.5
Martinsburg	0	0	0	0	0	0
Annapolis	8	0	0	0	1.5	[illegible]
Mount Washington	0	0	0	0	0	[illegible]
Lutherville	0	0	0	0	5	[illegible]
Total Maryland division	2,304	615	247	35	1,043.4	761.4
Total Washington	785	351	2	59	796.5	175.5
Entire territory	3,089	966	249	94	1,839.9	936.9

	Cable laid.	Cable replaced and drawn out.	Cable abandoned.
	Feet.	*Feet.*	*Feet.*
Baltimore (aerial)	700	.....	.....
Baltimore (underground)	760	1,020	0
Cumberland (aerial)	1,510	0	410
Frederick	0	0	0
Hagerstown (aerial)	400	.....	.....
Hagerstown (underground)	440	0	240
Westminster	0	0	0
Martinsburg	0	0	0
Annapolis	0	0	0
Mount Washington	0	0	0
Lutherville	89	0	0
Total Maryland division	3,899	1,020	650
Total Washington (aerial)	6,890	0	met. 897
Total Washington (underground)	29,663	0	gad. 12,253
Total entire territory	40,452	1,020	13,800

Treasurer's statement for year ended December 31, 1897.

REVENUE.

Exchange service	$471,430.18
Toll service	20,773.38
Private line	16,933.61
Messenger	774.32
Real estate revenue	9,416.84
Dividends and interest	2,239.46
Miscellaneous revenue	9,904.09
Total	531,471.88

EXPENSES.

General	$81,179.59	
Operating	62,258.00	
Maintenance	190,646.87	
Telephone rental and switch-board royalty (not including private line)	39,373.29	
Private line, instrument rental, etc	2,975.11	
Messenger expense	1,217.38	
Real estate expense	5,460.33	
Interest	23,778.82	
		$406,889.39
		124,582.49
Disposition of net revenue:		
Dividends on capital stock		106,000.00
Surplus		18,582.49

Balance sheet December 31, 1897.

ASSETS.

Franchise	$692,600.00
Construction	2,782,976.41
Real estate	162,983.55
Sinking fund	111,900.00
Supplies	40,972.01
Accounts receivable	37,554.87
Cash	2,769 87
Stocks and bonds	16,527.91
	3,848,284.62

LIABILITIES.

Capital stock	2,650,000.00
Bonded debt	500,000.00
Surplus	629,437.32
Accounts payable	53,901.81

RESERVE.

For unearned rentals	$7,259.40	
For outstanding toll tickets and tokens	31.30	
For accrued interest	2,293.24	
For office rent	361.55	
		9,945.49
Real estate mortgage notes		5,000.00
		3,848,284.62

Expended for construction in 1897:	
Exchange aerial	3,303.81
Underground conduits	
Underground cables	
Equipment	16,875.25
Toll lines	19,475.22
	39,654.28

Comparative statement.

	1894.	1895.	1896.	1897.
Gross revenue	$463,934.64	$490,273.32	$508,217.68	$531,471.88
Gross expenses	354,304.31	369,848.79	393,202.40	406,889.39
Net revenue	109,630.33	120,424.53	115,015.28	124,582.49
Dividends	53,000.00	53,000.00	79,500.00	106,000.00
Surplus	56,630.33	67,424.53	35,515.28	18,582.49
Construction	53,984.72	32,205.14	18,164.46	39,654.28

FRIDAY, *May 6, 1898.*

The special committee appointed to investigate gas and telephone service in the District of Columbia this day met on the call of the chairman, at 10 o'clock a. m., Hon. Mahlon Pitney, acting chairman.

TESTIMONY OF C. W. HASKINS—Continued.

By Mr. PITNEY:

Q. Mr. Haskins, since the last hearing we have received through Mr. Bryan a copy of your letter to him, dated May 3, 1898, with certain exhibits or statements appended thereto, as supplemental to your former report. This letter is printed on page 340 of the hearings, and the statements are on pages 241 to 346, inclusive. You prepared those statements, did you?—A. Yes, sir.

Q. Are they prepared on the same basis as your previously submitted statement for the years 1894 and 1895?—A. Yes, sir.

Q. Then you accepted the entries appearing on the company's books and the classification of charges that was made by the company?—A. We changed a few of the classifications in minor details only to agree to the report which we formerly rendered.

Q. The only new matter in these statements refers to the year 1892 and 1893; that is all?—A. Yes, sir; the same except that the total shows for the six years and the average for the six years.

Q. Look at your Exhibit D as appended to the letter of May 3, 1898.—A. I have it.

Q. At the head of that exhibit is a statement for each year, showing the average number of telephones in use. Did that number of telephones include those which are called "private line" telephones?—A. It does not.

Q. What are private-line telephones?—A. Private-line telephones are the service which is given to certain individuals on contracts on which they use the lines exclusively. The arrangements made by contract vary materially in different cases. Some service is what is called speaking-tube service, and in many cases, a large number of cases, the parties construct their own line and maintain it, and all that the company receives is rental for the instruments.

Q. Do those instruments communicate with the central exchange of the company?—A. They do not.

Q. The instruments are let out or put out under a different sort of an arrangement from that which applies to the instruments which do communicate with the central exchange?—A. Altogether.

Q. But these private lines rentals you exclude from the statement of the average number of telephones in use for these six years, 1892 to 1897, inclusive?—A. Yes; we exclude those telephones in getting the average number for each year.

Q. Now, did you ascertain whether there were in each of those years certain of the telephones that did and do communicate with the central exchange for which no rentals are received?—A. Of the private lines?

Q. Not private-line telephones, but exchange telephones which connect with the central exchange but return no rentals to the company.—A. There are a certain number of telephones which show on the list——

Q. So I find. For the year 1897 there were 59 nonpaying deadhead telephones. Did you include these nonpaying telephones in the list of the average number of telephones in use?—A. Yes, sir.

Q. And, therefore, for the purpose of computation of cost of service

for exchange telephones, and of the receipts for the same class of telephones, the deadhead telephones are included?—A. They are.

Q. Can you tell me how many deadhead telephones there were in each of those years, from 1892 to 1897, inclusive?—A. I can not. We only made the list up as of one date, which appears in the report.

Q. Did you ascertain from the books or otherwise whether the Chesapeake and Potomac Telephone Company pays royalty to the Bell Telephone Company or any other company for those deadhead telephones for the use of the instruments?—A. They do not pay royalty.

Q. Somebody is mistaken. Mr. Bryan told us privately they do. What have you to say, Mr. Bryan?

Mr. BRYAN. The company pays royalty on all telephones that it receives from the American Bell Telephone Company for any and all purposes, with the exception of 3 per cent of the telephones used at any one exchange, that 3 per cent being deemed necessary for the working of the central office, the transmitters and telephones used by the operators and the employees of the company; but that 3 per cent has never been sufficient to supply the company with the telephones to do its business, and therefore the 59 telephones known as deadheads undoubtedly are paid for by the company; but that must necessarily be considered more or less of a changeable factor, for the reason that we sometimes have more and sometimes fewer telephones at work in transacting the business of the company, so that if the 3 per cent is more than enough, why we would get the benefit of it, and if it is not enough we have to pay royalty in addition of the 3 per cent we use in the transaction of our business.

Mr. ALLEN. That 3 per cent comes to you anyway, it matters not how many you use or not?

Mr. BRYAN. Yes, sir; three telephones out of every 100.

By Mr. PITNEY:

Q. Does that appear in the regular contract with the American Bell Telephone Company?

Mr. BRYAN. That appears, I think, not in the regular contract, but as the result of a conference held in Boston between the Bell Telephone Company and the lessees in 1884.

Q. And has been in force since?

Mr. BRYAN. And been in force since the 1st of July, 1884, or some date near that.

Mr. HASKINS. I call your attention to the note at the bottom of Exhibit M, my original report.

Q. Which reads:

Full amount of rental rebated on free telephones, provided the number of same does not exceed 3 per cent of the total number of instruments charged.

That is what you refer to?—A. Yes, sir.

Q. From what source did you get that information?—A. That is a matter of record in the office there.

Q. Did you include any telephones that are in use at the central exchange by the company for its own purposes in the list of deadhead telephones included by you in your Exhibit L?—A. Yes; that gives the number of deadhead telephones.

Q. Were the 59 in use by subscribers outside of the telephone exchange?—A. No, sir; that is the entire list of deadhead telephones in use by the company and its officials.

Mr. BRYAN. Let me add a word there. The instruments that are in use for purely company purposes are treated practically as stock instru-

ments, as instruments in stock, and they are not therefore entered upon the books as being in use in the sense that these 59 telephones are. Those 59 telephones are in use by persons outside of the company, with the exception that I think the telephones in the residences of the directors for company purposes are included. I am not sure about that, but my impression is the telephones in the houses of the directors of the company are included in the 59. If it is a particular part of the investigation, and you can wait until to-morrow or until some time this afternoon, the information can be furnished in a concrete shape so as to tell you as to what that comprises.

Q. That will do. I am inquiring now far enough to maintain an examination of Mr. Haskins as to distribution of cost and revenues per telephone, and I understand, as the substance of what you and Mr. Haskins say, that the average number of telephones in use, as per his Exhibit D, includes the deadhead telephones outside of the exchange, but does not include the company's telephones inside the exchange; that is right?

Mr. BRYAN. I would much rather go by the record, and I would be very glad if you would excuse——

Q. That is your statement, that the average number of telephones in use, as found at the top of Exhibit D, includes the deadhead telephones outside the exchange office?

Mr. HASKINS. My understanding is that the number of deadhead telephones which appears on Exhibit L is included in the average number of telephones that is stated on Exhibit D, and that number of deadhead telephones carries all the deadhead telephones of the company—those used in the office and those used outside—and that is my understanding.

Q. Do you mean that the telephones that are used in the office of the telephone company for use in the transaction of its own business are included in the average number of telephones in use, as shown on Exhibit D?—A. Those telephones that have the general connection; that is my understanding. I have not looked into that—investigated that; but that is my understanding.

Q. According to Mr. Bryan the number of those would be quite in excess, for instance, of the 59, as returned by you on Exhibit D?—A. Yes; that would appear so.

Mr. BRYAN. It is impossible to state offhand whether included in those 59 would be telephones at the houses of the treasurer, auditor, secretary, etc., and my house. It is impossible to tell offhand whether those are included in the 59 or not. I could tell, however, within ten minutes if I was at my office.

Q. The committee might think—and I am free to say it seems so to me—it would not be proper to include operating telephones in the statement for the purpose of finding out what the cost and revenue of the telephone service is, proportionate to the number in use.

Mr. BRYAN. Those operating telephones are not so included.

Q. Mr. Haskins says so.

Mr. HASKINS. I did not say they were. I said that was my understanding, but I did not look into that matter. I was only stating my understanding, as I did not know.

Q. You say private-line telephones are not included in the number?—A. They are not.

Q. In Exhibit D you give us first a statement of the total receipts for exchange telephones plus private-line rentals, plus extraterritorial

and miscellaneous revenue, plus profit on labor and material sold, and you give us the average of such receipts per telephone for each year.—A. Yes, sir.

Q. Just below you give us the average expense per telephone per year, including in such expense the private lines and extraterritorial expense.—A. Yes, sir; that is right.

Q. Now, of course, you have observed that that loads upon the exchange telephones the cost of private-line service, and therefore you have proceeded to make up a second statement in your Exhibit D which eliminates the cost of private-line service and the revenue from private-line service.—A. Yes, sir.

Q. And the reason was in order that you may be able to ascertain the cost of the exchange service and what the revenue of the exchange service was?—A. Yes, sir; that is what we intended to show.

Q. You did it on the bottom of that portion of Exhibit D, which appears on page 345, I believe. Have you got the printed page? First, taking the total expenses for each year, you deduct certain items not relating to exchange service, namely, private-line expenses, rentals, and royalties, royalty on extraterritorial business, royalty on messages handled for the Western Union Telegraph Company, proportion of expenses applicable to extraterritorial and miscellaneous revenue (being the general percentage of expenses to earnings, not including rentals and royalties). That resulted in giving you an average expense per telephone for the year 1892 of $57.02; for the year 1893, $61.70; for the year 1894, $67.57; for the year 1895, $58.78; for the year 1896, $61.26; for the year 1897, $91.09, and an average for the six years of $66.57.—A. Yes, sir.

Q. That you understand to be the expense as shown by the company's books of the maintenance, operation, and superintendence of the telephone exchange service, excluding expense of private lines and extraterritorial service?—A. Yes, sir.

Q. So much per telephone for those years?—A. Yes, sir; that is the statement.

Q. Now, in computing that expense you have included the maintenance account in that form and to the amount shown by your previous exhibit, and concerning which I examined you the other day?—A. Yes, sir.

Q. If construction has been charged up to maintenance to an extent beyond what ought to have been done as between the telephone company and its subscribers, it has resulted in making those figures higher than they ought to be as between the company and its subscribers?—A. If that is the case that would be the deduction.

Q. And the expense you have charged against each telephone here also included, among other things, the sinking fund contribution for five out of those six years, I believe?—A. Yes, sir.

Q. I will ask you also whether this computation does not charge up to the exchange telephones—I mean the telephones of those subscribers who are in communication with the central exchange—the total cost of the superintendence of the Washington plant and the total cost for the maintenance of the Washington plant?—A. No, sir.

Q. In what respect was my question based on a wrong understanding?—A. You will find on page 345, Exhibit D, we have deducted from the expense account the proportion of expenses applicable to extraterritorial and miscellaneous revenue, being the general percentage of expenses to earnings, not including rentals and royalties. In other

words, we have taken the general expenses of conducting the Washington plant and have divided that on a percentage basis to arrive at what would be a proper percentage for this outside business.

Q. I understand your point. Let us see if you are quite correct about it. In Exhibit D you have charged to private line expenses 39.99 per cent of $4,734.67?—A. Yes, sir.

Q. Now, refer me to the previous exhibit where you find the $4,734.67?—A. That is the amount of extraterritorial and miscellaneous revenue as appears on the same page in the same exhibit, and to explain that, if I can make it clear, the only way to arrive at the proper amount of expense charged against those earnings, in my judgment, was to take the percentage of expense which the whole business shows to the total earnings. So I took the earnings of that outside business, extraterritorial and miscellaneous revenue, and charged to that business the same percentage of expense as is shown by the entire business of the company, leaving out of that percentage, of course, the rentals and royalties, because they are specific.

Q. Now, let me examine you upon that for the year 1892, as shown on Exhibit D, as the items and results will apply to any other year. You find for the year 1892 there was extraterritorial and miscellaneous revenue amounting to $4,734.67?—A. Yes, sir.

Q. And the total revenue, including exchange income, was $178,689.38. Now, do I understand you to say that you have previously ascertained that out of $178,689.38 a portion equal to 39.99 per cent has gone for the payment of expenses?—A. Yes, sir.

Q. And therefore you charge a similar percentage of the $4,734.67 as the expense properly attributable to private-line service?—A. To extraterritorial and miscellaneous, not to private-line service, because that private-line rentals and expense shows by itself; that is specific.

Q. What is included in extraterritorial and miscellaneous revenue?—A. That is shown on Exhibit A, folio 341. It is commissions on long-distance business, commissions on messages collected for the Western Union Telegraph Company, receipts from toll service, extraterritorial revenue, commissions on messages distributed for the Western Union Telegraph Company, loop rentals, care of batteries, etc., for the American Telephone and Telegraph Company, rental of attachments on poles and underground conduits, moving telephones——

Q. Moving telephones? Are you sure that is included?—A. In miscellaneous revenue; yes, sir.

Q. Is that included in extraterritorial?—A. That item on page 345 reads: "Extraterritorial and miscellaneous revenue." Instead of stringing it out again we just lump it together.

Q. One moment; let us verify that. I can not make your figures agree, quite. Just make a little computation and see what is the error, as there is a little difference. I see what it is.—A. The total is $4,734.67, which covers those items I called off.

Q. Pardon me; I think you made an error in calling them off, because you did not call off "real estate," and that makes just the difference I find, $214.50.—A. I included real estate.

Q. You intended to include real estate?—A. I meant I included real estate in my figures and intended to call it off.

Q. Well, then, what is the meaning of your computation at the foot of Exhibit D, under the head of "less items not relating to exchange service?"—A. Well, it is proper to deduct from the expenses of the company, in order to arrive at the expense of exchange service lines, the proper amount of expenses pertaining to this other business, and

the expenses which are specific to the other business are stated. It is difficult to arrive at specific items in all cases, and therefore the revenue derived by the company from those outside businesses to which the specific expenses can not be applied amounted in 1892 to $4,734.67, and you will find that on folio 342, Exhibit A, the per cent of the expenses and taxes to total gross earnings for the year 1892 is 54.92, from which we deduct the per cent of rentals paid to gross earnings, which shows on the same exhibit 14.93; it leaves a balance of 39.99 as the proper percentage of expenses to earnings for the company's entire business and leaving out the rentals paid. That is the nearest way I can find to arrive at a proper percentage of expenses.

Q. The question is whether you have done it in a way the committee can understand it or whether you have done it correctly. At the bottom of Exhibit D, page 345, you insert this item: "Less items not relating to exchange service," the first of which is "private-line expenses, rentals, and royalties, $4,032.38." Where do you get that item from?—A. That is private-line rentals paid and expense of maintaining private lines as shown by the company's books.

Q. Is it shown on any other exhibit here?—A. The rental is shown on Exhibit A, folio 342——

Q. Namely—— A. Instrument rental, private line, American Bell Telephone Company for 1892, is $3,809.07.

Q. That is what you call expense specifically applicable to private-line service?—A. Yes, sir; that is the item contained in that item you have asked for.

Q. Where is the remaining part of it?—A. The remaining part is included in the general expense of the company that does not show by itself, but it shows on the company's books.

Q. That shows you have charged, or, rather, the company's books have charged, up to the private-line service only $223.31 to show expenses for that year?—A. Yes, sir.

Q. Then you make an additional general charge for those expenses equivalent to 39.99 per cent of the revenue that comes from that service?—A. Yes, sir.

Q. And that results in charging up to the expense of private line and miscellaneous service, including extraterritorial service, $6,271.62 for the year 1892?—A. Yes, sir.

Q. That leaves a net expense of exchange station service $99,849.71?—A. Yes, sir.

Q. And it is that expense which you divided by the number of the telephones in use, showing the average expense per telephone as being $57.02?—A. $57.09.

Q. $57.02. I have it in print here for the year 1892.

Mr. WILSON. What page?

Mr. PITNEY. Page 346.

The WITNESS. Oh, yes, sir; I beg your pardon. I was looking at the item below. It is $57.02.

Q. Well now, in these expenses of the exchange service are included, among other things, the royalties paid to the American Bell Telephone Company?—A. Yes, sir.

Q. Now, I asked you last night to make a computation of what these royalties amounted to each year from 1892 to 1897 and how much they amounted to for each of the exchange telephones. Have you made that computation?—A. Yes, sir; I have it here.

Q. Have you it tabulated?—A. Yes, sir.

Q. In this statement which you have just handed me you have first

ascertained the cost per telephone of exchange telephones for royalties paid by the Chesapeake and Potomac Company to the American Bell Telephone Company?—A. Yes, sir.

Q. You have next ascertained the cost per telephone of private line telephones for royalties paid by the Chesapeake and Potomac Company to the American Bell Telephone Company for private line telephones?—A. Yes, sir.

Q. And then, I perceive, you have taken out certain maintenance items from the accounts for the years 1892 to 1897, inclusive, namely, salaries and wages, material and traveling expenses, and have ascertained the total of such items for each of those years, and the average per telephone for each year?—A. That statement of the maintenance item was made as I understood you wanted it.

Q. All this statement was made at my request. I want to relieve you from the opinion you are volunteering this. This you made at my personal request?—A. Yes, sir.

Q. You have likewise, at the foot of this statement, distributed the sinking-fund charge in order to ascertain the average of that charge for each telephone in use during the years 1893 to 1897, there being no sinking-fund charge for the year 1892?—A. Yes, sir.

Q. Now the stenographer will please insert this statement in his notes at this point:

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY.

Miscellaneous statements.

	For year ended December 31—						Total for six years.	Average per annum.
	1892.	1893.	1894.	1895.	1896.	1897.		
TELEPHONE RENTAL.								
Average number of telephones in use	1,751	1,822	1,818	1,742	1,879	1,929	10,941	1,823.5
Instrument rental, American Bell Telephone Company	$21,006.81	$22,192.19	$16,231.74	$12,051.74	$12,092.07	$12,775.71	$96,350.26	$16,058.38
Average per telephone	12.00	12.18	8.93	6.92	6.43	6.62	8.81	8.81
PRIVATE LINE.								
Average number of telephones in use	337	340	340	356	393	432	2,198	366⅓
Instrument rental, American Bell Telephone Company	$3,809.07	$3,902.42	$1,660.64	$1,218.35	$1,054.38	$1,084.74	$12,730.60	$2,121.77
Average per telephone	11.30	11.48	4.90	3.41	2.68	2.51	5.79	5.79
Maintenance items:								
Salaries and wages	16,495.03	15,513.33	20,787.82	22,031.63	28,231.48	47,454.18	150,513.47	25,085.58
Material	14,013.88	18,217.97	25,131.77	12,473.30	19,100.08	53,710.79	142,647.79	23,774.63
Traveling	1,192.08	1,152.21	1,521.60	1,376.69	1,999.90	1,876.93	9,119.41	1,519.90
Total	31,700.99	34,883.51	47,441.19	35,881.62	49,331.46	103,041.90	302,280.67	50,380.11
Average per telephone	18.10	19.15	26.10	20.60	26.25	53.42	27.63	27.63
Sinking fund	.....	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00	40,000.00	6,666.67
Average per telephone	.....	4.39	4.40	4.60	4.26	4.15	3.66	3.66

Thereupon the committee took a recess until 1.30 p. m.

AFTER RECESS.

FRIDAY, *May 6, 1898.*

Mr. PITNEY. I would like to ask Mr. Bryan two or three questions.

TESTIMONY OF SAMUEL M. BRYAN—Recalled.

By Mr. PITNEY:

Q. Mr. Bryan, tell us about the real estate of your company in Washington.—A. Yes, sir.

Q. What you own, and for what part, if any, you get rental, and for what part, if any, you pay rental.—A. We own a lot on Fourteenth street, between H and I, that was originally purchased with the idea of erecting a telephone-exchange building. We get no rental for it and use it for storage. The building is of no account, and we are using the yard for storage until we get ready to utilize it otherwise. We also own a wareroom or a warehouse lot in the square bounded by Thirteenth, Fourteenth, and G streets and New York avenue which we have not improved, but for which we have the plans now, and we get nothing from that.

Q. You do not use that for storage?—A. No, sir.

Q. When did you buy the Fourteenth street lot?—A. I do not remember when; several years ago, probably in 1892 or 1896.

Q. Is there a building on it?—A. It is a little frame building, but it is not fit even for storage.

Q. What did you pay for it?—A. We paid about $30,000.

Q. What did you pay for the property in the other block?—A. I think $6,000.

Q. You rent the place where your central exchange is located now?—A. Yes, sir.

Q. At how much rental?—A. We pay a rental of $3,150 a year, under the agreement that we shall provide the heat and elevator service for the entire building.

Q. You do not occupy the whole building?—A. The owner occupies the first floor as a flower store. The floor above that we rent to the Chesapeake and Ohio Railroad Company. All the rest of the building we occupy.

Q. You collect rent from the Chesapeake and Ohio Railroad Company?—A. Yes, sir.

Q. Are they included in the statement submitted by Mr. Haskins?—A. Decidedly.

Q. Are there any other rents which you collect in Washington besides this?—A. No, sir.

Q. Are you taxed on the Fourteenth street property?—A. Yes, sir.

Q. How much?—A. I do not know what it is valued at.

Q. Are you taxed on the property in the block between Thirteenth and Fourteenth streets?—A. We are.

Q. Do you know at what rate?—A. I know the rate, but I do not know the assessed value.

Q. And you are only paying about $300 in assessed taxes?—A. We are paying a good deal more than that. We are paying $450, and we are paying on the Fourteenth street real estate and the property in the square I have mentioned in addition to that. We have acquired the wareroom property since November, I think, and probably——

Q. Last November?—A. Yes, sir; and our taxes on it will be payable this month.

Q. When did you acquire the other property?—A. Several years ago, and we paid taxes on it and have done so ever since we acquired it in 1892 or 1893.

Q. They are not included in Mr. Haskins's statement, I suppose, or are they?—A. That I do not know.

Q. Are they included in the $450?—A. No, sir; we pay $450, and by agreement with the Bell Telephone Company we get back $150 of that.

Q. And that $450 does not include the taxes on the Fourteenth street property?—A. No, sir.

Q. Why are you so sure about that?—A. Simply the same as you would be sure whether you had had your breakfast or not.

Q. How much taxes do you pay on the Fourteenth street property?—A. I do not know, any more than you would know what you were charged with taxes on any piece of property you might have in charge if you had a hundred pieces. You can not carry in your mind these things, of course; it is impossible.

Q. Mr. Haskins, did you ascertain on what the $450 tax is paid?

Mr. BRYAN. It is supposed to be paid on the value of poles, but the assessment was made before I came in and I do not know about the particulars of it.

Q. Mr. Haskins, what taxes are included in your statement?

Mr. HASKINS. I intended to include there all the taxes the company pays on the Washington property. The taxes on the real estate in the city of Washington do not appear in the item of taxes as shown by Exhibit A. The tax on real estate shows under the head of general expenses.

Q. Do they show on either of these exhibits?—A. Yes, sir; charged to real estate.

Q. Where?—A. On Exhibit A.

Q. Under the head of general expenses?—A. Yes, sir; real estate.

Q. I see. Do I understand, then, these items under the head of general expenses, real estate, 1892, $90.30; 1893, $101.22; 1894, $770.73; 1895, $168.20; 1896, $122.13, and 1897, $147.17, include taxes on real estate?—A. What page is that on, may I ask?

Q. Page 342?—A. Yes, sir. That includes taxes on real estate.

Q. Can you tell me what part of this is taxes?—A. I can not, offhand.

Q. Is something else included in this amount besides taxes?—A. That is my recollection, but I am not certain as to that.

Q. It looks as if in 1894 there must certainly have been something else included, that amount being much larger than any of the others, being about half the total for the six years?—A. Yes, sir.

Q. Mr. Bryan, I notice in Exhibit A, page 342, that for the year 1897, under the head of general expenses, there is an item, "legal expenses, $9,072.17.

Mr. BRYAN. Yes, sir.

Q. Being much greater than charged on that account for either of the preceding years—more than as much as was charged for the five years preceding. Can you explain that item, please?—A. The matter of legal expenses involved there covers more than the year 1897, and most of the legal expenses covered by that item are amounts drawn by me and applied to legal expenses, such as became necessary in the conduct of the company, and was accounted for by me on vouchers as legal expenses.

Q. Drawn when?—A. I do not know when they were drawn; I can not tell without going to the books.

Q. Well, you say they included legal expenses of other years?—A. Some of the expenditures made under that head were in 1896.

Q. What part of that $9,072.17 was covered by that voucher of yours of which you speak?—A. I am not able to say without going over the books for that. I would have to go to the books for particulars of these things. It is utterly impossible to carry the details in one's mind.

Q. There is no voucher for the payment except the memorandum voucher made up by you showing it was money expended by you?—A. That is right; I do not know that that covers the entire amount; it covers a part of the amount in that way.

Q. Some of it was spent in the year 1896, you say?—A. Yes, sir.

Q. What for?—A. Legal expenses.

Q. Any campaign contribution in that?—A. I must decline to answer unless compelled to do so.

Q. I suppose you have answered that?—A. I do not believe it is a proper part of this investigation, and I decline to answer unless compelled to do so.

Mr. DOCKERY. I understand you decline to answer that question?

A. I do, until I have further advice on the subject.

Mr. DOCKERY. All right.

By Mr. PITNEY:

Q. Mr. Haskins, is there anything in the books to show what is the difference, if any, in the cost of installing, maintaining, and operating the grounded-circuit telephone as compared with the metallic-circuit telephone?

Mr. HASKINS. Nothing in the general books.

Q. Presumably there would be a difference in the cost of installation if you charge up the double wire for the metallic-circuit installation as compared with the single wire for the grounded circuit?

Mr. HASKINS. I should assume that is so.

Mr. BRYAN. Right there, on behalf of the company, I desire to state that the very fullest opportunity has been given to this committee to summon experts on that subject, and Mr. Haskins is not an expert on that subject. It is not a part of an accountant's work, and he should not be expected to know——

Mr. PITNEY. Let us save time by saying it is not contended by the committee nor by your company that Mr. Haskins is an expert in electrical manufacture or operation, but he is an expert in books, and I asked him if there was anything in the books which showed the cost.

Mr. BRYAN. Excuse me, I did not know that you asked him in regard to the books.

Mr. PITNEY. The stenographer will read my question.

(The question was read.)

By Mr. PITNEY:

Q. Have you any knowledge on that subject?

Mr. HASKINS. I have not.

Q. Do the books show what was the annual charge each year in the District of Columbia for the different kinds of telephone exchange service up to 1897?—A. The general books do not show that.

Q. What rates were charged subscribers for the different kinds of service?—A. The rate charge. Oh, yes; the subscribers' rental book shows the different rates charged to different subscribers.

Q. There is a book in which a record is kept from time to time?—A. Yes, sir.

Q. Is there a ledger account for each subscriber?—A. Yes, sir.

Q. Is there a separate ledger for the subscribers' accounts?—A. Yes, sir.

Q. Have you here the material from which you can answer a question as to what the rates were for each year?—A. I have no material except the statement which we rendered.

Q. That statement pertains only to the year 1897, or the present time?—A. It shows it at a certain date, that is all; at a specific date.

Q. Mr. Bryan, can you answer that question, as to what your rates were for the different kinds of service in the different years? If you can not answer it exactly answer substantially.

Mr. BRYAN. The rates for the grounded-circuit service have not changed since 1883.

Q. That has been what?—A. A hundred dollars within a mile radius of the exchange or less distance for business purposes, and $72 for residences where there was one party on the line. Where there were two parties on the line the rate has been for business purposes $80 and for residences $60, and where there were three parties—that, however, has been abolished some time ago—on a line the rate was $60 for business and $48 for residences. Since the introduction of the underground system, however, it is rarely we have more than one party on a line in the grounded-circuit service.

Q. Give us the rates for the different kind of services on the metallic circuit.—A. The metallic-circuit service was only introduced recently, comparatively, but the rate previous to 1894 was, for a special line equipped with a long-distance instrument within a mile radius of the exchange, $160. In that year it was reduced to $125.

Q. That is for business purposes?—A. Yes, sir; for business purposes. For residences I have not in my mind what was the rate previous to 1894, but for residences since that time it has been $100 as against $125 for business purposes.

Q. Now, all these rates you have just given us are for stations within a mile or less of your central exchange?—A. Yes.

Q. Now, an additional charge is made for distances greater than a mile?—A. For distances in excess of a mile $6.25 is charged for a quarter of a mile for the grounded circuit and $10 a quarter of a mile for the metallic circuit except in the excess-message rate service, when that mileage is reduced to $9 in addition to the rate I have given you.

Q. By message-rate service you mean the service limited to so many messages per annum and an extra charge is made for extra messages?—A. Yes, sir.

Q. So that a business house 2 miles from your exchange with a metallic circuit would be charged $165 a year?—A. Yes, sir.

Q. Did you tell us some time ago, Mr. Bryan, what the rates were which was charged by your company for its service in the State of Maryland previous to the passage of the act which limited your rates?—A. They were precisely what I have stated for Washington.

Q. And they were limited by that act in what year?—A. In 1892.

Q. What was the limit prescribed by that act?—A. The act as afterwards interpreted applied to only grounded-circuit service, and the limitation was that the $78 should apply to special wire for grounded-circuit service with the Blake transmitter.

Q. You say the act was construed to apply only to grounded-circuit service?—A. Yes, sir.

Q. By whom was it construed?—A. By the legislature which succeeded the one which passed the original act.

Q. Was there any adjudication by any court?—A. No, sir.

Q. I could hardly think so.—A. There was no adjudication by a court, but there was this thing to be taken into account: When the act of 1892 was passed we declined to furnish a special wire at the rate of $78, for the reason that the act did not stipulate that should be done, and the rate was lower than we thought it should be. When the legislature met in January, 1894, there was a select committee appointed to consider the question of the interpretation of that law, and to see what rights the citizens had under it in order to confirm the act of 1892.

Q. The committee was appointed for the purpose of investigating the rates, was it not, Mr. Bryan?—A. No, sir; that was not a committee appointed to investigate the rates. There was never a committee appointed to investigate the rates. That was a commission appointed by the governor under authority of the legislation. The committee decided that the act of 1892 did mean that we should furnish a separate wire for each subscriber at $78, and specified clearly what the line of equipment should be, stating that it should be a single wire equipped with one cell of battery with a magnetic battery and with a Blake transmitter.

Q. They passed an act to that effect?—A. They passed an act defining what the service should be, in general, and left it to the governor to have the distinction made by an expert, and that expert was selected in the person of Professor Rowland, of Johns Hopkins University, who certified that that was the equipment intended in the act; and that certificate is now filed in the clerk's office of the court of appeals of Annapolis in order, if any question arises, it can be adjusted with that authority lodged there.

Q. Have we before us a copy of the Maryland act of 1892, Mr. Birney?

Mr. BIRNEY. Yes, sir; I think so.

Q. Is it in our hearings?

Mr. BIRNEY. It was produced, but I do not know whether it is copied in the hearings or not.

Q. My impression is it is in the hearings, and if you can refer me to it I wish you would.

Mr. BRYAN. I think, Mr. Chairman, what you really meant to ask for was the act of 1894 interpreting the act of 1892.

Q. We want to have both.

Mr. BRYAN. I have it at my office. I did not know that you would want to refer to it, and I did not bring it.

Q. My impression is that the act of 1892 would not admit of such an interpretation, because I understand you had at the time that act passed some metallic circuits in use and grounded circuits, and the act by plain terms, as I read it, gives the subscribers having those telephones the right to have the use of them for so much money. However, we are getting into a speculative question to some extent. I would like to see the act of 1894, if you have it.

Mr. BRYAN. I would be very glad to bring it to you. I am afraid you have not read the act of 1892 carefully, or the act of 1894, which interprets it.

Mr. PITNEY. That completes the examination of Mr. Haskins, so far as I am concerned, for the present.

Mr. HASKINS. I would like to make one or two corrections of my testimony taken heretofore.

Mr. PITNEY. You can make them now.

Mr. HASKINS. On page 253 the question reads:

They spend money that will not be needed in the future, and count it as an asset?

Mr. PITNEY. The word "not" ought not to be in there, ought it?

Mr. HASKINS. You mean in your question?

Mr. PITNEY. Yes.

Mr. HASKINS. The answer to that question is very much confused. I do not think the question is proper, and I do not think the answer is properly recorded.

Mr. PITNEY. In what respect do you think the answer is wrong?

Mr. HASKINS. Because it does not make sense the way it reads. It says:

They have charged this as an item of construction in the earnings.

That does not mean anything.

They declare that as dividends the money goes out; and that is what the railroads do.

Unless you want an explanation of what I meant to say, I should hink that whole question and answer should be struck out. I am not a purist as regards the English, but to me that answer seems absurd.

Mr. PITNEY. You may make any correction you desire in the answer to the question you have referred to on page 253.

Mr. HASKINS. The answer should be:

They had charged the item of expenditure to construction and have not charged it against the earnings. They declare the surplus earnings as dividends, and the money therefore goes out.

And stop there.

On page 277 the question is:

But you have charged into your income account here, as per Exhibit B, the whole $200,000. Doesn't that require to be changed?

That should read "the whole $20,000." I would suggest that all the questions and answers might better be stricken out down to the interrogation by Mr. Dockery, as they were based upon an error in the statement as to the issue of bonds in 1894, instead of in 1891, as it should have been. It might be confusing to leave the testimony stand.

Mr. PITNEY. Instead of $20,000, it ought to be $32,000, ought it not?

Mr. HASKINS. It is $20,000 a year on the whole issue of bonds. But those questions and answers were based, as already stated, upon an error.

Mr. PITNEY. Your explanation will be recorded, but we can not change the text here.

Mr. HASKINS. On page 285, at the bottom of the statement which is printed at the top of the page, with reference to the facts in regard to the National Capital Telephone Company, it reads: "The subscription book to which these postings refer can not be found." That should read, and I think originally did read, "The subbook," not "subscription book." That is, the subbooks of the ledger.

I refer now to page 289, to your question, Mr. Chairman:

You took this statement as being correct for the basis of your examination?

My answer, as in the printed copy, is, I think, very much confused If it is clear to you I do not know that I need to make any correction. of it.

Mr. PITNEY. I think I understand it; but you can give any explanation you wish now.

Mr. HASKINS. It is simply a question of the English, that is all. I understand what it means if anybody else can.

Mr. PITNEY. The long and short of it is that $750,000 of stock was issued against the plant of the National Capital Telephone Company.

Mr. HASKINS. What I intended to say is this, and the answer should read as follows:

No, sir; I did not. I took the balance sheet of the old company for the basis of the assets against which the $750,000 of capital stock of the new company was issued, and which amount of stock was paid to the stockholders of the National Capital Telephone Company for their plant; and I ignored the entries appearing on page 2 of the journal of the new company.

On page 304 I am recorded as having said:

In regard to those two books you will find Exhibit F on the printed report was not the total construction done up to date by the Chesapeake and Potomac Telephone Company.

What I intended to say was that the Exhibit F in the printed report was the total construction done up to date by the Chesapeake and Potomac Telephone Company. "Not" there changes the understanding of the statement.

Those are all the corrections I want to make now.

Mr. PITNEY. Mr. Bryan and Judge Wilson, I want to say to you that the committee have had a consultation in regard to the effect and the weight that ought to be given to some statements made here by Mr. Birney and Mr. Hemphill, or one of them, concerning the rates charged in other cities and places for telephones, and certain other statements in regard to the condition of affairs and of business in other places. We are afraid that you may be under a misapprehension as regards something said by General Grout in regard to those statements, as tending to show that he considered them merely in the light of an opening statement of what the Subscribers' Association intended to do. The committee, however, do not think that these statements ought to be limited to the effect of a mere opening statement. We think the committee has a right, and ought, to take them under consideration as hearsay evidence, and to some extent as historical evidence, for what they are worth. We will give your company, if you desire, an opportunity to contradict any of those statements by evidence of a similar kind. We shall not require either the Subscribers' Association or the telephone company to bring officers of other companies throughout the country to testify what the rates are in those places, unless there be a dispute as to some city or cities. We will accept the statement furnished by the Subscribers' Association so far as it seems to be based upon correct understanding and correct information. We will also receive counter evidence, if such can be produced, by your company.

Mr. WILSON. In other words, if I understand you, you take the statements of these gentlemen as to what is charged in these particular places for the service that is rendered there, without any evidence whatever as to the conditions under which those charges were made.

Mr. BRYAN. Or the character of the service.

Mr. WILSON. Or the character of the service.

Mr. PITNEY. We think that is not quite the situation of the matter. Something appears in the statement in regard to the condition and character of the service; something appears in the statement in regard to the circumstances, as regards the inhabitants, the number of subscribers, and the company operating, or the system under which the telephone companies in certain places may operate. It is absolutely impossible for us to get evidence from original sources. We think it would be an undue burden upon the Subscriber's Association to call upon them to produce what in a court of justice would be called the "*best evidence*." Nor would we call upon the company unless there were a serious controversy about some fact or circumstance that was

regarded as of sufficient importance to necessitate calling for the best evidence. As General Bingham, I think, very properly suggests to me, we would have to go into a separate investigation of all the circumstances and surroundings of the other telephone companies the same as we have been trying to do with regard to the Washington plant.

Mr. WILSON. I respectfully submit that if you are going to use the rates that are paid somewhere else for purposes of comparison with rates here, you will not be able to say whether those rates paid in other cities would be reasonable rates here unless you look into the circumstances and conditions of the service in those other places, for the purpose of comparing them with the circumstances and conditions here.

Mr. PITNEY. It seems to me that it is a very much closer comparison than that suggested by you when you asked us to compare the ratio of expenses to gross income in the case of railroad companies.

Mr. WILSON. I submit that at least the two ought to stand on the same footing.

Mr. PITNEY. I do not think so.

Mr. WILSON. Of course this is not the proper time to argue it, but I do not see how it is possible for you to say that what is charged in Detroit or in Berlin is any criterion for the charge that should be made here. How can you draw any proper conclusion from that unless you know the circumstances and conditions under which those charges were made in Detroit or Berlin?

Mr. PITNEY. It is not necessary to argue it, but I will say in answer to your suggestion that the state of the art is pretty well understood by those who are on the inside, and if they can give service in one city in the United States under circumstances and conditions substantially similar to those obtaining here, the company here can probably give service for something like the same rates.

Mr. BRYAN. We do.

Mr. DOCKERY. Let me say in this connection that we had a recent controversy in this city with the United States Electric Light Company. A few years ago the rate charged for electric lights was 60 cents a night. The company insisted that they could not, in justice to their stockholders, reduce that charge. But a reduction was made to 50 cents, then to 40, and now the reduction has been brought to 25 cents. But I do not think that either one of the reductions was made until after the advent of the Potomac Electric Heat and Power Company as a competitor for that service.

After all, is it not true that it is necessary to meet the comparative idea somewhere along the line of this inquiry in order to reach a just judgment in respect of what shall be just and reasonable charges? Certain evidence has been submitted here showing rates in certain cities. It is true that we do not know the conditions in those cities, and it is probably true that in most, or perhaps in all, of those cases the conditions are not exactly on "all fours" with the conditions here—that is, there is overhead service in many cases, perhaps all. I do not recall the testimony in that regard, but it does occur to me that to in some way reach a judgment as to what are just and reasonable charges we must get the comparative idea engrafted somewhere upon this inquiry.

Mr. WILSON. In other words, you are going to compare what you have now with something you do not know anything about.

Mr. DOCKERY. No.

Mr. WILSON. That is the substance of it.

Mr. BRYAN. I want to say, with the permission of the committee,

that we are willing to be compared with the telephone companies in any city of like size and where similar conditions exist. We are perfectly willing to be compared with Boston, New York, Brooklyn, Philadelphia, Chicago, St. Louis, San Francisco, Cleveland, Milwaukee, or St. Paul; but we are not willing to be compared with one of the largest cities or with a group of perhaps twenty cities where a fighting rate has been established, as in the case of Detroit, where the contest between the two companies is as to which can exist the longest at a loss.

Mr. DOCKERY. You mean where they are cutting rates?

Mr. BRYAN. Yes; "fighting rates" was my expression. I am perfectly willing to have a fair comparison made.

Mr. PITNEY. You are discussing what effect ought to be given to the evidence I have referred to. What we have undertaken to say is that we are going to take it under consideration.

Mr. BRYAN. The difficulty is, or has been heretofore, that, in presenting our case to the committee, whenever we spoke of anything we have been met by the assertion that "this is not the time for argument," while the other side has been allowed to bring in what it pleased, and nobody has been put under oath in this investigation except the witnesses on our side. But I simply want the statement now to go on record that we are perfectly willing to be compared with any cities of a size similar to Washington and where similar conditions exist, but we do not want to be compared with a city like Detroit where fighting rates have been established, and where, therefore, similar conditions do not exist.

Mr. PITNEY. That is your explanation of the Detroit rate.

Mr. BRYAN. It is a fair explanation of it.

Mr. PITNEY. I want you to understand that this committee is not acting from any bias. We have not excluded any testimony about comparisons with other cities. We are going to consider, and we have been considering it, and we have encouraged argument, in order that we may come to a proper conclusion. Argument on the one side or the other may or may not be answerable. But all I intended to do was to give an announcement as to our attitude with reference to historical and hearsay evidence with reference to rates in other cities. That may be matter of argument, but we are going to hear you if you desire.

Mr. BRYAN. When we were led to suppose by the chairman, General Grout, that the statements of these gentlemen were in the nature of an opening statement, and that they were not evidence, does it not occur to you that if that impression was made on our minds and remained there until five minutes ago an injustice has been done us in that respect?

Mr. PITNEY. I am ready to answer as soon as you are ready.

Mr. BRYAN. If we had been advised at the beginning that that was to be considered as evidence, we should certainly have taken pains to endeavor to get certain material which was necessary for us to have in order to properly and promptly answer.

Mr. PITNEY. The statement made by General Grout, if my recollection is correct, and I think it is, was not, in the first place, an absolute statement as to his attitude, and, secondly, was not either absolute or qualified as to the committee. I have several times openly intimated my view of the matter, which was that we were entitled to and ought to take those statements into consideration as historical or hearsay evidence for what they may be worth; and I want now to give an intimation and information that that is the judgment of the committee upon

it, after conference upon that point. If you want a reasonable time to submit contradictory or explanatory statements tending to weaken the effect of the statements submitted by the Subscribers' Association, I should like to know how much time you want.

Mr. BRYAN. I should say we ought to have three weeks in that case.

Mr. BINGHAM. Do I understand from the president of the company that he is willing that the committee shall act upon the information it has received with reference to the notorious rates of other large cities of the country, with the exception of Detroit, where cut rates exist?

Mr. PITNEY. I think that is substantially what he said, but he may not want to assent to that as an absolute statement.

Mr. BINGHAM. Do you understand my question?

Mr. BRYAN. I do not understand it. My attention was distracted for the moment.

Mr. BINGHAM. In view of your statement with reference to the comparisons you are willing to have made with the cities you mentioned, I ask you if you are willing to accept the statements heretofore made to the committee as to the notorious rates of the other large cities of the United States, except Detroit, where cut rates exist?

Mr. BRYAN. Perfectly so.

Mr. PITNEY. There are other cities.

Mr. BRYAN. I enumerated a large number of cities.

There is one other thing I would like to call to the attention of the committee in passing, and I do not care whether it goes down or not; I would as lief it should not. But it is proper that I should call attention to the fact that out of the population of 270,000 in this District we have about 85,000 colored people, who do not take telephones, and they occupy space with their families just as the whites do. We have a Government population of about 60,000, which leaves about 115,000 or 120,000 people from whom to draw subscriptions for telephones. We nevertheless have to cover the entire territory.

Another thing, Washington is a winter resort, not a summer resort. We have hundreds of telephones placed in the fall that go out in the spring. So the line expenses must necessarily be higher here than in another city where the business conditions remain practically the same from January 1 to December 31. Washington is like a summer resort, except that the seasons are reversed—it is a winter resort.

It ought to be taken into account that from more than half of our population we can draw nothing, although they occupy space that we have to cover with our lines, and the residue of the population is not a telephone-taking population, because many of them only occupy their houses four, five, or six months in the year, and it works, therefore, a very peculiar hardship upon the telephone company to be compared with those cities that remain uniform throughout the year.

Mr. BINGHAM. In that connection, is not that fact very largely offset by the fact of the very large clientage you have in Government work?

Mr. BRYAN. I am glad you mentioned that.

Mr. BINGHAM. The Government, you know, represents no population.

Mr. BRYAN. It represents no population, that is true, but as to the District government we have cut our rates directly in two. I have here now a statement showing that the United States Government has a total of 443 stations.

Mr. BINGHAM. 'Phones?

Mr. BRYAN. Yes; private lines and otherwise.

Mr. BINGHAM. That is, the Government?

Mr. BRYAN. The Government.

Mr. BINGHAM. How many 'phones have you altogether in the District?

Mr. BRYAN. We have now about 2,270.

Mr. BINGHAM. Then the Government has about 20 per cent?

Mr. BRYAN. The Government rate, on the average, taking all service together, is $68.02 per telephone. The average rate for exchange service furnished to the Government is $75.50. The average rate for private-line service, building and maintaining lines, is $23.72.

Mr. BINGHAM. As against what for private clientage?

Mr. BRYAN. The average?

Mr. BINGHAM. Yes.

Mr. BRYAN. That is in Mr. Haskins's statement; but I have given the statement in regard to the General Government and its telephones, which statement I have made up this morning. The Government of the United States manages in some way to get from everyone with whom it deals, so far as my experience goes, at least 101 cents for every dollar it expends, and how much more I do not know. We do not get a profit that could fairly be considered a living profit from the Government of the United States on its telephones.

Mr. PITNEY. Of course these Government telephones are included in the total number reported by Mr. Haskins?

Mr. BRYAN. They are.

Mr. BINGHAM. I understand that $98.02 includes the Government telephones?

Mr. HASKINS. Yes, sir.

Mr. PITNEY. So that the average rates to private consumers are higher than those shown on your statement?

Mr. HASKINS. Yes, sir.

Mr. BINGHAM. But he includes the high-priced individual as well as the low-priced governmental in the average of $98.02.

Mr. BRYAN. It might be well, while I have an opportunity, to say, as I learned by an examination I made at the noon hour, that the 59 telephones that Mr. Haskins reports as deadheads includes all the telephones used for the company and by outsiders, except the switchboard telephones, of which there are about 30.

Mr. PITNEY. Where did you get that information?

Mr. BRYAN. When the committee adjourned for lunch I went to the office and got it, instead of taking my lunch.

Mr. PITNEY. Will you tell us how many deadhead telephones there are outside of those used by the company?

Mr. BRYAN. I was trying to figure that out, Mr. Chairman, when you kept asking me questions, and I could not get it finished. There are probably 25.

Mr. DOCKERY. That would make 34 of these telephones included in that statement?

Mr. BRYAN. Yes, sir. Our own telephones are fairly numerous. Each employee at his desk has a telephone in order to prevent waste of time in scurrying about to find out what he wants to know, and each one of the more important employees of the telephone company has a telephone at his house, so that he may be reached in case of accident, or necessity arising from any other cause.

Mr. PITNEY. Now, Mr. Bryan, with reference to your request for additional time to submit statements concerning these other cities, the committee think you ought to be able to do that in a week. You have also given us some information concerning some of the other cities—I

do not remember which ones—and, judging from what you said just now, there are some parts of it you will not dispute. We think you ought to be able to give us the information in a week.

Mr. BRYAN. I have only to say, in reply to that, that I will do the best I can. Sometimes when I write to another person outside of our company for information, there may be some press of business or something of the kind that will interpose to prevent his securing the information that I seek, and that can not be controlled by me.

Mr. PITNEY. One of these statements is, in a sense, official; it was reported to us by Mr. Wight, one of the Commissioners of the District of Columbia, as a result of inquiries made by him.

Mr. BRYAN. I do not vouch for the correctness of those statements. There are other statements which have been called in question here and shown to be wrong. So I prefer not to stand by any reports that have been made except those that come from me.

Mr. BINGHAM. Mr. Chairman, in that connection, as Mr. Bryan has signified that he is willing to have a comparison made with notorious rates in other cities, why can he not tell us the cities he does not desire to be compared with, together with his reasons for eliminating those cities?

Mr. PITNEY. We may want to get some information by correspondence or otherwise.

Mr. BRYAN. I am perfectly willing they should bring up any cities they care to. I would not know where to begin or where to stop, however, if I went into that. But I am perfectly willing to take any cities of fairly similar conditions and have a comparison made.

Mr. BINGHAM. How many cities are there corresponding in size with Washington?

Mr. BRYAN. I suppose twelve or fifteen.

Mr. BINGHAM. Not more?

Mr. BRYAN. Not more, I should think. That information I should be willing to furnish very soon.

Mr. BIRNEY. I will say to the committee that I have been furnished with a copy of an ordinance recently adopted, in regard to this subject, by the city of Indianapolis, which is perhaps about our class, and that sets out in full the conditions under which the new telephone company is to be allowed to operate in that city.

Mr. PITNEY. All right. I should like to see that, so that we may know how to answer it.

Mr. BIRNEY. Unfortunately I haven't it with me.

Mr. WILSON. Now, I want to say that somewhat early in this investigation the statement was made by the chairman that these matters that were being talked about by Mr. Hemphill and by Mr. Birney were only received by the committee as an opening statement. I assumed that that was so, and I assumed that it was to be followed, as the chairman said, by evidence.

Mr. PITNEY. Do you understand, Judge Wilson, that the committee expected to take evidence of witnesses having personal knowledge of the facts in each case?

Mr. WILSON. I assumed, from the statement of the chairman, that unless they brought some evidence to confirm these statements they would not amount to anything. I may have been under a misapprehension about it.

Mr. BINGHAM. Do you mean that testimony would have to be produced in regard to a matter that is notorious?

Mr. WILSON. What kind of matter is notorious?

Mr. BINGHAM. I mean as to rates.

Mr. WILSON. I do not mean that you would have to bring a witness here from Atlanta, Detroit, or somewhere else for the purpose of ascertaining what the telephone charges were at that particular place. But I did expect that there would be something produced here for the purpose of showing some similarity of conditions between here and there.

Mr. BINGHAM. Oh, no. It rather rests on you to show the dissimilarity.

Mr. WILSON. Very well. If that is the understanding about this thing, we will show the dissimilarity; but I was acting under a very different understanding.

Mr. BINGHAM. If it were stated before the committee that the rates from Washington to New York by the Pennsylvania road were a certain amount, and by the Baltimore and Ohio a certain amount, I think it would be perfectly proper for you to accept those figures.

Mr. WILSON. There would not be any trouble about that, not a bit. At all events we shall have to consider this matter, but we shall be as expeditious about it as possible.

There is one other thing in this connection that I want to bring to the attention of the committee. However, before doing so I want to ask one or two questions of Mr. Haskins, and only one or two.

By Mr. WILSON:

Q. Mr. Haskins, the proceeds of these bonds that you spoke of in the early part of your examination or cross-examination, to what were they applied? I want to know whether they were applied to the payment of bills then payable.—A. Yes, sir; they liquidated the outstanding bills payable of the company—the proceeds of those bonds did.

By Mr. PITNEY:

Q. Paid off the floating debt?—A. Yes, sir.

By Mr. WILSON:

Q. You made a statement in response to questions put to you by Mr. Pitney in regard to forced balances which has gone through the newspapers since that time. I wish to have an explanation made of that, as to what you mean by forced balances.—A. I think I stated, in answer to questions by Mr. Pitney, that the balances were not forced, that the amount which was included in Exhibit H——

By Mr. PITNEY:

Q. What page?—A. I have no reference to the particular folio.

Q. There is more than one Exhibit H, and it is important for you to mention the page.—A. It is Exhibit H of the exhibits I submitted. That is the only Exhibit H that I submitted.

Q. That is on page 220.—A. That is a statement of the consideration for which the $750,000 capital stock was originally issued; that includes an amount of $581,534.86, which I explained as an amount paid for the franchises, licenses, rights of way, etc. This is the difference between the expenditures made by the predecessor of this company for plant and the total issue of capital stock, and is the amount that was agreed upon by the issue of this stock to be paid for the franchises, licenses, and rights of way. I do not think that it ought to be called a forced balance, as it is the cost in stock for those assets.

By Mr. WILSON:

Q. In other words, they issued $750,000 worth of stock, and that represented the actual expenditures that had been made in physical

plant and the value that was put upon these licenses, franchises, and rights of way by the parties in organizing this company?—A. Yes, sir; and that is the amount that this company paid for them.

Q. That is the amount the company paid for the licenses, franchises, and rights of way in stock—the difference between the actual cost of the physical plant and the $750,000?—A. Yes, sir; that is correct.

Mr. BINGHAM. That includes physical plant, which means dollars and cents expenditure?

Mr. WILSON. That is what I am talking about.

Mr. BINGHAM. All of which were paid for by stock?

Mr. WILSON. Certainly. There was stock issued for the dollars and cents expenditure and the value of the licenses, etc., as the parties agreed upon.

Mr. BINGHAM. I understand now.

Mr. HASKINS. There has been some question made as to the difference between the amount stated in Exhibit H (p. 220) for franchises, licenses, and rights of way, and the amount as stated in Exhibit E. (Exhibit E is on a folio prior to 220.) The headings of these two statements explain them. We intended by Exhibit E to show the total amount invested in the plant and physical assets of the company on the one hand and the amount of capital obligations outstanding against the Washington plant on the other hand. The difference between the outstanding capital obligations and the actual amount invested in physical plant is shown as the balance, which would be the value of the franchises, licenses, good will, etc., as shown by the books at present, assuming the construction done up to date; but it in no wise represents the cost of those franchises and licenses.

Q. (By Mr. WILSON.) In the course of your examination by the committee you have made a statement of the amount of surplus. I want to know by what that surplus is represented, whether it is represented by money, or what.—A. It is represented by amount of construction done since the original issue of stock and by the excess of assets that have accumulated since August 1, 1883.

Mr. WILSON. That is all I care to ask.

By Mr. PITNEY:

Q. Mr. Haskins, there is nothing on the books to show the actual cost of the franchises, licenses, and rights of way, or any of them, that are included in the item of $581,534.86, in Exhibit H, at page 220, is there?—A. Except the issue of the capital stock of the company and the payment therefor.

Mr. PITNEY. Repeat the question. I want an answer, yes or no, if it admits of one, and I think it does.

(The question was read.)

A. Then I will say no, sir; except the issue of stock and payment therefor.

Q. The stock was issued years after the franchises were acquired, was it not?—A. No, sir; the franchises and licenses were acquired by this company at the time they issued the capital stock.

Q. And were acquired by the predecessor company a considerable time before?—A. Yes, sir.

Q. And if they had any actual cash cost it would have been paid by the predecessor company. Is there anything on the books to show——A. That they actually paid cash for these franchises and licenses?

Q. Yes.—A. No, sir.

Q. And there is nothing to show that either this company or the other paid anything for the franchises, licenses, and rights of way, or

any of them, is there?—A. They were paid for by the issue of capital stock.

Q. And only so?—A. And only so.

Q. There is nothing on the books to show that the franchises, licenses, and rights of way appurtenant to the Washington plant were valued in the transfer at $581,534.86, is there? Is not that the deduction that you obtain by distributing the amount so as to ascertain what was the balance of capitalization attributable to franchises, licenses, and rights of way?—A. I arrived at the fixed assets, first, as to the amount of construction done, and the amount of cash assets on hand; and the balance between that and the amount of capital stock which was paid for this is the amount that the franchises, licenses, and rights of way cost in stock.

Q. Let me put a hypothetical question: Supposing, for the sake of the argument, that there was not any such thing in existence as a franchise, license, or right of way; the same process of bookkeeping would have been gone through if they had desired to put in so much water as was gone through in regard to franchises, licenses, and rights of way, would it not?—A. That is, if they had stated that they had these franchises, etc., when they did not have them?

Q. Yes.—A. It would not be correct bookkeeping; it would not be a correct statement of fact, if they did not have them and put them in.

Q. If there were no such licenses, franchises, and rights of way, or if it had been designed to make a fictitious entry—I am not claiming or asking you to admit that that was the fact—but if it had been intended to make a fictitious entry to balance the water in the stock over and above the actual cost of the physical assets, this same process would have been gone through, would it not?—A. They would have increased the value of their actual plant.

Q. And if there were not $581,534.86 worth of franchises, licenses, and rights of way, but, for the sake of the argument, they were worth only $20,000, this same process would have been gone through if they had desired to issue $750,000 of capital stock, and did not have property enough to represent it?—A. The same process.

Q. They would have set an agreed valuation upon the franchises, licenses, and rights of way?—A. They would have probably increased the value of the physical plant.

Q. Yes; but if an expert bookkeeper afterwards found out that they had increased the value of the physical plant, and had found out its actual value and charged that against franchises, licenses, and rights of way, it would have eliminated your supposition as to increasing the value of the physical plant. And that is just what did happen in this case. You did find out that the physical plant was put down for more than it actually cost, did you not?—A. It included everything in the plant; not only the licenses, but the good will to do business.

Q. In the item of $118,580.40, given as the valuation of actual construction of plant prior to August 1, 1883, there were no good will and franchises included?—A. No, sir.

Q. You found the actual cost of construction of plant prior to August 1, 1883, to be only $91,130.21?—A. Yes, sir. The reason of that is because they issued $20,000 worth of stock against that.

Q. It was more than $20,000, was it not?—A. Whatever the amount was. They issued a certain amount of stock which was charged to plant, but which I eliminated.

Q. That was water in the old company?—A. I don't know what they acquired by that. The stock was issued to some Georgetown party;

Henry D. Cooke, I believe. At the same time they got something from him representing $30,000 of stock.

Q. It appears, therefore, that if there was any inflation of the valuation of the old company's plant you had an opportunity to eliminate the $91,130.21 as the cost of the old physical plant?—A. Yes, sir.

Q. Then, in order to make up the $750,000, it is necessary to put in as the valuation of the licenses, franchises, and rights of way the sum of $581,534.86, is it not?—A. That is the amount that was paid in capital stock for those franchises, licenses, and rights of way.

Q. How did you ascertain that that was the amount paid?—A. Because they issued that amount of capital stock for it.

Q. There is no entry on the company's books—I mean the books of the present company—to show any valuation as applied to the franchises, licenses, and rights of way as distinguished from those of the Maryland plant, is there?—A. They are not segregated on the books of the company.

Q. There is nothing on the books of the company to show that any particular valuation was applied to the franchises of the Washington plant, or that any particular valuation was applied to the franchises outside of the Washington plant?—A. They fixed one valuation on all the franchises and licenses.

Q. Inasmuch as they were buying two separate companies, they did make two separate entries of capital stock, namely, $750,000 for the Washington company and $1,900,000 for the Maryland company?—A. That is a matter of contract. They issued that stock.

Q. I am asking that as a matter of fact.—A. Yes, sir.

Q. And that necessitates your counting up the amount of cash, accounts receivable, supplies on hand, one share of the capital stock of the National Fair Association, and ascertaining the total of those, and subtracting the total amount payable to the Washington concern, with the result of finding that the net cash assets of the Washington concern were $77,334.93; then finding also the cost, as per company's books, of construction of the plant of the Washington concern, $91,130.21; and subtracting those from the $750,000 in order to ascertain the agreed valuation of the Washington franchises, licenses, and rights of way?—A. That is correct.

Q. You have already stated that on the books of the old company the same franchises, licenses, and rights of way were valued at $425,160.21, and you find, I believe, from the books of the old company that that amount of $425,160.21 was made up, among other things, by an item of $250,000 added to the previous items, in order to balance the new issue of capital stock of $250,000, for which no money was received?—A. It was a payment of capital stock for certain licenses, and it is a matter of record in the old company's books by resolution of the board of directors. There is nothing there to indicate but what it was bona fide consideration given for some asset acquired.

Q. Well, isn't there? Do the old company's books show any license acquired at or about the time of the issue of that $250,000 of stock?—A. I do not know what they acquired at that time, but there is nothing by resolution of the board to indicate that they did not acquire it. I did not read the contracts.

Q. Bookkeeping, so far as it relates to actual transactions, ought to show what took place, and it is not expected to show what did not take place.—A. It would be difficult to show on the books of the company what these licenses or franchises consisted of; there is nothing there to indicate.

By Mr. DOCKERY:

Q. If that is not a forced balance, what would you call it in bookkeeper's parlance?—A. It is an agreed balance; it is not forced. If you pay so much cash, or issue capital stock, for the purchase of a certain plant, and you pay that out, either in cash or capital stock, as you please, you fix the balance, which can be determined exactly in dollars and cents, as to the value of the physical plant acquired, because the cost is there; the cost shows on the books.

Q. That agreed balance is found, in the first place, by an issue of so much stock; and in order to ascertain the agreed balance you must deduct the actual cash invested.—A. Yes. I don't know how they agreed upon it.

By Mr. PITNEY:

Q. The plan employed was this: They first footed up the total and then made the items large enough to equal the total. Is not that the fact? Is there any doubt about it at all?

Mr. BRYAN. There is very serious doubt about it, Mr. Chairman.

Mr. PITNEY. Mr. Bryan, I think you should not suggest what the answer should be.

A. The facts shown by the books are that they issued $750,000 of capital stock for the plant; that the franchises and licenses owned and operated by the National Capital Telephone Company——

Q. (By Mr. PITNEY.) That is not quite right either, if I understand the agreement. They agreed to issue $750,000 of stock—not for the property of the Washington Company, whether physical or hypothetical—but for property, less liabilities. Is not that right?—A. They took over their business and paid them $750,000 in capital stock. I endeavored, for your information, to segregate the assets that they took over, to the best of my ability, by examination of the books. I went back into the old company's books in order to find data and report the exact physical assets that they had and took over later, as stated in Exhibit H.

Q. So far as the books of the new company contain any entry, it is contained on page 2 of the journal, is it not?—A. Yes, sir.

Q. There is an item which is put in at an assumed valuation on each side of the account, besides the two items giving the amount of capital stock issued, if I understand your previous testimony correctly. Of course, on the right-hand side of the account the two items of $750,000 for Washington stock and $1,900,000 for Baltimore stock are shown. They are put in at an agreed or assumed amount, are they not?—A. An agreed amount, I should say.

Q. I understand you to say that the profit-and-loss account of $60,842.61 was put in at an agreed amount or assumed amount also?—A. That would be put in as the balance—that is, a balance of the two sides of the account.

Q. And that is a forced balance, I suppose?—A. It is a balance; it is not a forced balance.

Q. Well, if you like to avoid the word "forced"—— A. It certainly don't indicate anything in this connection to call it forced.

Q. Why are you so anxious to get rid of the term?—A. Because it is an opprobrious term in the accounting business. We can not force anything.

Q. But if all agreed to it?—A. I mean in accounting.

Q. On the other side of the account, on page 2 of the journal, there is an item entitled "Plant," amounting to $648,491.34, which you subse-

quently explained as including not only plant, but licenses, franchises, and rights of way.—A. Yes, sir.

Q. You have already said that there are no books to show that amount.—A. To show that amount of plant?

Q. That amount of plant and franchises, licenses, and rights of way.—A. By subsequent statement I have given you the record from the books of the National Capital Telephone Company, but I haven't got the books of the Maryland Company.

Q. That amount is not taken off the books of the National Capital Telephone Company, is it?—A. It is not taken off their books. I don't know how they make up that amount.

Q. I say it is not taken off of their books?—A. The total amount is not; no, sir.

Q. Neither is the amount of $581,534.86, on your Exhibit H, taken from the books of the National Capital Telephone Company?—A. It is not.

Q. If there are any books that do show those items, or either of them, the fact yet remains to be developed?—A. Yes, sir.

Mr. PITNEY. Judge Wilson, is there anything more to be said concerning the forced balance?

Mr. WILSON. Yes.

By Mr. WILSON:

Q. Now, Mr. Haskins, I understand the situation to be this: There was a company, or there were companies, preceding the present company; they had created a certain plant—poles, wire, etc.—which we call the physical plant; and they had licenses to use the telephone in this District. Then the present company was formed in 1883, issuing capital stock for $750,000. That capital stock represented the physical plant of the preexisting company, and the licenses, franchises, and rights of way that came over to this new company?—A. That is the fact.

Q. So that, whether that difference between the actual physical plant and the $750,000 is water or wind depends upon whether these licenses had any value or not, or were of the value represented by the difference between the physical plant and the $750,000?—A. It would depend on the value of those items.

Q. These parties who organized this company agreed upon $750,000 as the capitalization, and they issued stock for $750,000, the excess over the cost of the physical plant of the company represented by these licenses, etc.?—A. Yes, sir.

Q. What is the way that was done?—A. Those are the facts.

Q. Have you any means of knowing what the actual cash value of these licenses, etc., was in 1883?—A. I have not.

Q. Do you know of any mode of getting at that except by what the parties agreed it should represent?—A. That is the only way.

Q. Did you ever hear of a corporation being organized that used licenses or patents agreeing upon a money value for those licenses or patents when they put them in as part of the assets of the company?—A. They either pay so much cash for them, which would be shown on the books, or, if they issue stock in payment, that would be valued at the amount of stock issued.

Q. In other words, the parties who sell those licenses sell them either for money or for stock?—A. Yes, sir.

Q. When they sell them for stock does the stock usually represent cash value?—A. No, sir; it don't represent actual physical cash value.

Q. That is what I am talking about.—A. Not necessarily. There may be stock issued for the good will of the business. Good will is something very indefinite and indeterminate. At the same time it is a very valuable asset of any corporation or any business that may be taken over.

Q. In this case I will assume that this corporation, in order to operate here in the District, could not operate without the use of patents or the license to use them.—A. I should assume that they could not do business without them.

Q. Then it represented something, did it not?—A. It represented the possibility of doing business here in the District of Columbia.

Q. It represented whatever that happened to be worth?—A. Yes, sir.

Q. And you have no means of ascertaining what it was worth except that the parties agreed to it?—A. Agreed to pay that amount for it.

Q. And where these differences exist between the actual assets and the $750,000, that is the representative of the value of these licenses, and is properly entered upon the books, and is not a forced balance or a forced entry in any sense?—A. No, sir. If I were going to open those books and were called upon to deal with that item of $750,000, I would do exactly as is shown in Exhibit H; I would put down the actual cost of the plant and value of the franchises, as I have valued them there in that exhibit at $581,534.86.

By Mr. PITNEY:

Q. If you were given your total in advance, that is the way you would make up your items, so as to agree with that total?—A. I know of no other way to arrive at it.

By Mr. BRYAN:

Q. A question has been asked here, and the answer was not as correct as I would like it to appear in the record: Whether the amount of $750,000 was not the amount fixed upon first, and then an arbitrary value placed on these licenses, franchises, and rights of way? I would like to ask you if anything has appeared throughout your investigations that has indicated that the capitalization of $750,000 was not necessary to complete a direct transaction in payment for all the assets of the National Capital Telephone Company, including cash, construction, franchises, and so on?—A. No, sir; it was an amount that was agreed to be paid for those assets.

Q. It was taken as a whole, was it not?—A. As a whole.

Q. So that there is no reason, that appears to you from your investigation, to segregate this so as to impute any ulterior motive in the parties to this transaction in fixing the capitalization at $750,000, to begin with, and then ascertain what was necessary in excess of the value of their tangible assets to make that $750,000?—A. No, sir.

Q. But it was all one transaction, the $750,000 being issued for the purpose of taking over the entire assets in bulk, whatever those consisted of?—A. Yes, sir; taking all the assets and liabilities of the entire company.

Mr. PITNEY. Mr. Bryan, were you residing in Washington in 1883?

Mr. BRYAN. Yes, sir.

Mr. PITNEY. Were you connected with the business of the old telephone company?

Mr. BRYAN. I was not.

Mr. PITNEY. You have told us once, I think, what the capitalization of the old company was.

Mr. BRYAN. I did not.

Mr. PITNEY. Who did? Some one told us.

Mr. BRYAN. Mr. Haskins told you.

Mr. HASKINS. The statement was rendered at $600,000, I think.

Mr. PITNEY. Do you know what the market value of that stock was at that time?

Mr. BRYAN. I do not.

Mr. PITNEY. Do you know whether it sold above or below par?

Mr. BRYAN. I do not know whether there were any transactions at all. I have no knowledge on that subject.

Mr. PITNEY. Do you know what the market value of the stock of the Chesapeake and Potomac Telephone Company was immediately after the consolidation?

Mr. BRYAN. There were varying prices for it. I am informed, but I do not know of my own knowledge, that it sold as high as 102.

Mr. PITNEY. The new company?

Mr. BRYAN. Yes, sir. It has never been at that figure since.

Mr. PITNEY. How long did it stay at the figure at or approaching par?

Mr. BRYAN. It has fluctuated. I do not think since I have been connected with the company that the stock has been higher than 88, and during the panic of 1893 a small lot—possibly under pressure—sold as low as 39.

Mr. PITNEY. You are not able to give definite information as to market sales or market prices, year by year, during the existence of the new company?

Mr. BRYAN. No, sir; but it is easily ascertainable. It is on the files of a stock exchange, because the stock has been listed here ever since it has been a company.

Mr. PITNEY. Was the stock of the old company listed?

Mr. BRYAN. I do not know. I speak only of the new.

Mr. PITNEY. Will you, Mr. Birney, undertake to get that evidence?

Mr. BIRNEY. Yes, sir.

Mr. HEMPHILL. I want to ask Mr. Haskins a few questions.

By Mr. HEMPHILL:

Q. In Exhibit H the licenses, franchises, and good will are valued at one figure, and in Exhibit E they are valued at another; is that so?—A. Yes, sir.

Q. As I understand, the difference is that the small amount in Exhibit E is credited to licenses, good will, etc., because the physical property had then been largely increased?—A. Yes, sir. You understand that Exhibit E is simply a statement made up; it does not so appear in the books of the company, and it does not refer in any way to valuation.

Q. That is just an amount stated there by you as an estimate of the value?—A. Yes, sir.

Q. These bonds that were issued, you say, were issued to take up the floating debt of the company?—A. Yes, sir.

Q. Do you know what proportion of the floating debt was incurred by the District of Columbia?—A. No, sir; I do not.

Q. In charging $149,000 bonds of the District of Columbia you simply took the two-fifths, as I understand?—A. Yes, sir.

Mr. PITNEY. Judge Wilson, do you know anything about the value of the franchises, licenses, and rights of way of the old Washington Company and of the old Maryland Company, or either of them, at the time of the reorganization and consolidation?

Mr. WILSON. No; I do not know that I do.

Mr. PITNEY. I did not suppose there would be the least dispute

about it; and I want to say frankly, speaking for myself, that I do not think the fact that there was an agreement that the stock should be issued for that amount gives the slightest information as to the actual value of those assets.

Mr. WILSON. I thought once of addressing a communication to this committee asking them if they could get evidence as to what the use of these telephone instruments and the right to use the patents were worth in 1883, but it occurred to me, after reflecting about it, that it would be doing a very useless thing. I do not know how you will find any witnesses to testify as to what the right to use these telephone instruments was worth in the District of Columbia in 1883—or even this minute, so far as that is concerned. In other words, to make myself understood—and I am assuming now for the purposes of my statement—at that time the use of the telephone was controlled by certain patents, and nobody could use telephones except by getting a license from the owner of the patents. Now, what that was worth in 1883 for the District of Columbia would be a very difficult thing for anybody to ascertain or testify to. What it is worth to-day is a very difficult thing to testify to. What the use of a patent is worth nobody can swear to. It may be very valuable, it may be worth nothing. At that time the telephonic art had not developed as it has to-day. But I do not see how we can give any evidence as to what that thing was worth at that time. The parties who held those patents thought they were worth so much cash or so much stock, and they said, "We will take so much of your stock and you can have the perpetual use of these licenses." And that is the way it was arrived at, as I understand it. So you can see that, in the nature of things, it is almost impossible for us to introduce any expert witnesses or anybody who can testify what was the value of this privilege at that time.

Mr. PITNEY. Let me call your attention to this. The value of what I understand was included in licenses, rights of way, etc., depended not only upon the value of the patent, but upon the value of what may be called the public franchise, although not distinctly granted as such—the continued use of public rights, subject always to the qualification that they should be exercised for the benefit of the public and at reasonable rates. Something might depend upon whether Congress would exercise its jurisdiction or would sleep upon its rights and not permit the company to fix rates. I admit that actual value is very difficult to arrive at. I only want to intimate plainly that I do not think that the fact that stock was issued for it is any evidence as to what the actual value was.

Mr. WILSON. How are we to get at the actual value?

Mr. PITNEY. That will be for the committee to judge if further evidence is to be submitted on that point.

Mr. WILSON. The parties at the time they entered into this transaction fixed the capitalization of this company at $750,000, and they took over from the old company that it was going to succeed certain physical property, we will call it, the actual value of which they could not ascertain. But they took, in addition to that, the right to use the telephone, without which right this physical property was not worth anything for the purposes for which they were organizing. So that it seems to me that it is utterly impossible for us to produce, or for the committee to produce, any evidence of value as to what that thing was actually worth. All that we know is that the parties who were then dealing with this thing fixed $750,000 as the capitalization, and that the parties who owned these instruments, or the right to use them, said, "We

will take so much of your stock as capitalized at that rate and give you permission to use the instruments."

Mr. PITNEY. If it comes to an agreement between the parties, you must remember that there were several other agreements between the parties previous to the reorganization of the company, namely, agreements by which the owners of the patents gave licenses, for which I understand no money consideration was paid, but only a consideration in the nature of a partnership interest and subject to certain limitations and certain charges in the shape of what we call royalties or rentals to the licensor; and perhaps that will have as much bearing as the subsequent action of the consolidating companies.

Mr. WILSON. Not at all. Let us see if that is so. Here was this company that had been organized, and it certainly had not made a very great success in the way of furnishing telephonic facilities for this city; there was going to be a new company formed; these old licenses that had been given to the former company that had not been a success were turned over by agreement of all parties to this new company; this new company issued its stock on the basis of the plant that had already been created and the value of these franchises, licenses, etc., that were transferred. That is the way it was done.

However, that is more in the nature of argument, and I did not intend to say what I have said.

Now, I want to call the attention of the committee to another matter. You will observe that on the 3d of May, 1898, a communication was addressed to this committee referring to a former communication where we had asked you to procure the testimony of experts with reference to various matters, which I need not read, and then follows this:

And I beg to add to this a request that you secure testimony from competent experts of your own selection in respect of the question as to the statement, now generally accepted as correct, that the cost per telephone increases as the number of telephones in any one locality or city increases (p. 340).

Mr. PITNEY. Personally I have not time to prolong this hearing, but I want to say that some experts contradict the argument that the cost increases largely as the number of telephones increases.

Mr. WILSON. What expert contradicts it?

Mr. PITNEY. Mr. Haskins's statement. I will give you my reasons later. I have to leave now to meet an engagement. If it is necessary Mr. Haskins can wait, and I am afraid we shall have to have him wait or come back later, because I must now leave.

Mr. WILSON. We assert that the cost does increase with the increase of business.

Mr. PITNEY. So I understand.

Mr. WILSON. I want to put in evidence, and will put in evidence, the Scientific American of January 26, 1895, which contains an article on that subject; but if you are in a hurry I do not want to detain you now.

Mr. PITNEY. I would rather have that offer deferred. If it is put in as argument, that is one thing; if it is put in as evidence, then we ought to see whether it is competent.

Mr. WILSON. I am going to put that in as evidence.

Mr. PITNEY. Let the offer be deferred. I have no disposition to keep anything out of evidence, but the question may arise how much farther we shall go in this investigation and what additional expense and time may be involved.

Mr. WILSON. We have asked the committee to get some expert to testify on that subject. That request was made May 3, 1898.

Mr. PITNEY. The difficulty is to procure such an expert.

Thereupon the committee adjourned, subject to the call of the chairman.

WEDNESDAY, *June 1, 1898.*

The committee this day met, on the call of the chairman, at 10 o'clock a. m.

TESTIMONY OF SAMUEL M. BRYAN—Continued.

SAMUEL M. BRYAN recalled and examined.

The WITNESS. This is a paper which I desire to submit on behalf of the company, prepared by Haskins & Sells, public accountants, of New York, on the subject of the charges to construction and maintenance during the six years 1892–1897, inclusive, which shows that for the years mentioned the increased value of the plant owing to additions which have been charged to construction is only $52,486.51, leaving $57,053.23 charged to construction in excess of the actual cost of the additions to the plant.

Mr. S. M. BRYAN,
President the Chesapeake and Potomac Telephone Company,
Washington, D. C.

DEAR SIR: As requested by you, we have made an investigation of the amount of work done by your construction department, as shown by the annual reports of your company, for the years 1892 to 1897, inclusive, and we submit herewith the following exhibits:

Exhibit AAA.—Statement of the work done by the construction department during the years 1892 to 1897, inclusive.

Exhibit BBB.—Statement showing the value of the work done by the construction department, less the value of the work taken up or abandoned, during the years 1892 to 1897, inclusive.

Exhibit CCC.—Amount charged to construction account on the books of the Chesapeake and Potomac Telephone Company during the years 1892 to 1897, inclusive, not including amounts charged for switch boards and equipment.

All the above statements refer to the District of Columbia plant.

The statement AAA is taken from and agrees with the annual reports of the company for the various years which the statement covers.

The average costs of the various work, as shown by Statement BBB, were made up by your superintendent of construction, in some cases, from the original vouchers for the purchase of material (as, for instance, poles, wires, and cables), with allowance made for labor, and in other cases (as, for instance, conduits and manholes) from original data in his office showing the cost of the work at the time.

We have verified these average costs as far as practicable, and we believe they are correct.

It has been impossible to reconcile the difference between the net value of the work done and the amount as charged to construction for the same period without going into a very extended and detailed examination of each item charged to construction during the said period.

The statements show that, for the years 1892 to 1897, inclusive, there has been charged to construction account for the Washington plant, not including switch boards nor equipment, an amount of $109,539.74, while, for the same period, the increased value of the plant, covering the same classes of work, is shown to be $52,486.51, leaving an amount of $57,053.23 charged to construction in excess of the actual cost of the additions to the plant, as shown by the annual reports of the company.

Yours, respectfully,

HASKINS & SELLS,
Certified Public Accountants.

No. 30 BROAD STREET, NEW YORK, *May 18, 1898.*

EXHIBIT AAA.—THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY, WASHINGTON PLANT.

Statement of work done by the construction department during the years 1892 to 1897, inclusive.

Year.	New poles set.	Old poles replaced with new.	Poles removed and abandoned.	Increase in number of poles.	Increase in overhead wire.	Aerial cable.	Manholes built.
					Miles.	*Feet.*	
1892	524	227	.....	524	132.7	.....	B—76
1893	187	661	172	15	124.2	.....	(1894) A— 7
1894	129	84	60	69	67	.....	(1894) B— 9
1895	399	117	50	349	45.3	.....	B— 4
1896	13	261	17	4	189	.....	.....
1897	785	351	2	783	621	6,890	B—30
Total	2,037	1,701	301	1,736	1,179.2	6,890	126

CONDUIT LAID.

	1-duct.	2-duct.	3-duct.	4-duct.	6-duct.	8-duct.	12-duct.	24-duct.	40-duct.	56-duct.	72-duct.
	Ft. In.	*Ft. In.*	*Ft. In.*	*Ft. In.*	*Ft. In.*	*Ft. In.*	*Feet.*	*Ft. In.*	*Ft. In.*	*Feet.*	*Feet.*
1892	5,835	.....	.....	.....	24,277 4	6,963 6	.....	.....	.....	.....	.....
1893	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1894	2,772	11	.....	.....	281 8	.....	.....	9 10	.....	26	76
1895	953 11	47 5	.....	.....	51 6	.....	.....	.....	.....	.....	.....
1896	1,000 9	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1897	937 10	1,038 9	.....	283 5	3,106 10	3,614 11	.....	.....	.....	.....	.....
Total	11,499 6	1,097 2	.....	283 5	27,717 4	10,578 5	.....	9 10	.....	26	76

CONDUIT ABANDONED.

1892	308 9	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1893	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1894	51	200	.....	.....	.....	73 9	.....	.....	81 6	.....	.....
1895	134 2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1896	527 5	202	.....	.....	100 10	.....	105	.....	.....	.....	.....
1897	73 11	47 5	.....	.....	51 1	.....	.....	.....	.....	.....	.....
Total	1,095 3	449 5	.....	.....	151 11	73 9	105	.....	81 6	.....	.....

CABLE DRAWN IN.

	50-wire.	100-wire.	10-pair.	25-pair.	50-pair.	100-pair.
	Feet.	*Feet.*	*Feet.*	*Feet.*	*Feet.*	*Feet.*
1892	1,233	.....	.....	.....	17,686	.....
1893	19,548	1,145	.....	.....	30,992	.....
1894	.....	.....	.....	.....	10,836	43,349
1895	2,087	.....	.....	547	3,606	14
1896	.....	.....	100	3	12,555	22,916
1897	.....	.....	.....	386	5,347	23,930
Total	22,868	1,145	100	936	81,022	90,209

CABLE DRAWN OUT.

1892	.....	.....	.....	.....	.....	.....
1893	4,173	6,083	.....	.....	.....	.....
1894	.....	.....	.....	.....	17,748	.....
1895	2,087	.....	.....	125	177	14
1896	.....	.....	140	.....	18,740	1,035
1897	.....	.....	.....	.....	814	.....
Total	6,260	6,083	140	125	37,479	1,049

Statement of work done by the construction department during the years 1892 to 1897, inclusive—Continued.

CABLE AND CONDUIT ABANDONED.

	Asphalt conduit.	Aerial.		Underground.		
		50-wire.	25-pair.	16-wire.	50-wire.	100-wire.
	Feet.	*Feet.*	*Feet.*	*Feet.*	*Feet.*	*Feet.*
1892						
1893	2,093					
1894					24,877	10,138
1895	2,197	600		850	8,273	12,202
1896	15,235				37,219	20,209
1897	9,045		83		6,525	5,728
Total	28,570	600	83	850	76,894	48,277

EXHIBIT BBB.—THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY, WASHINGTON BRANCH.

Statement showing the value of the work done by the construction department, less the value of the work taken up or abandoned, during the years 1892 to 1897, inclusive.

	Net increase.	Average cost.	Value.
Poles:			
County	1,437	$4.14	$5,953.01
City	299	20.49	6,126.11
	1,736		12,079.12
Conduits:	*Ft. In.*		
1-duct	10,404 3	.39	4,057.66
2-duct	647 9	.61	395.13
4-duct	283 5	.80	226.73
6-duct	27,565 5	1.02	28,116.73
8-duct	10,504 8	1.36	14,286.35
12-duct	105	1.92	201.60
24-duct	9 10	3.36	33.04
40-duct	81 6	5.60	456.40
56-duct	26	7.84	203.84
72-duct	76	10.64	808.64
	49,330 10		47,470.12
Cable, underground:	*Feet.*		
50-wire	60,886	.53	32,269.59
100-wire	53,215	.73	38,846.95
10-pair	40	.17	6.80
25-pair	728	.24	175.88
50-pair	43,543	.52	22,698.48
100-pair	89,160	.49	43,454.72
16-wire	850	.23	195.50
	18,440		4,983.75
Cable, aerial:	*Feet.*		
25-pair	6,890	.23	1,584.70
Overhead wire:	*Miles.*		
Iron	3,132.2	9.00	2,818.80
Copper "B. and S."	591	18.09	10,689.38
Copper "N. B. S."	275	27.17	7,471.40
	3,998.2		20,979.58
Manholes:			
A	7	200.00	1,400.00
B	89	125.00	11,125.00
B	30	105.00	3,150.00
	126		15,675.00
Total			92,798.77
Less asphalt conduit abandoned, 28,570 feet, at $1.411			40,312.26
Total net increase			52,486.51

EXHIBIT CCC.—THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY, WASHINGTON PLANT.

Amount charged to construction account on the books of the Chesapeake and Potomac Telephone Company during the years 1892 to 1897, inclusive, not including amounts charged for switch boards and equipment.

1892—Aerial construction	$4,157.64
Underground cable construction	10,386.40
Conduit construction	53,490.70
1893—Underground cable construction	9,326.01
1894—Aerial construction	2,633.87
Underground cable construction	20,117.92
Conduit construction	5,374.98
1895—Aerial construction	436.47
Conduit construction	349.80
Underground cable construction	194.34
Toll line, Rockville	1,679.01
1896—Conduit construction	2.25
Underground cable construction	5,366.72
Aerial construction	789.68
Toll lines, Rockville and Baltimore	2,482.08
	115,208.51
Less amount received October 30, 1895, from the Metropolitan Railroad Company for cost of underground conduit; action necessitated by their change of motive power	5,668.77
Net amount charged to construction 1892 to 1897, both inclusive	109,539.74

STATE OF NEW YORK, *City and County of New York, ss:*

Charles W. Haskins, being duly sworn, deposes and says that he is a member of the firm of Haskins & Sells, certified public accountants; that he has prepared the annexed report of the Chesapeake and Potomac Telephone Company, and that the same is true to his own knowledge and belief, except as to the matters stated upon belief, and that as to those matters he believes the same to be true.

C. W. HASKINS.

Sworn to before me this 18th day of May, 1898.

[SEAL.] HENRY J. UDERITZ,

Notary Public, Kings County. (*Certificate filed in New York County.*)

The WITNESS: Mr. Chairman, I would like, also, to submit another little matter here. On page 88 I am quoted as admitting that the stock of the company is watered. On page 121 of the record I make a correction, in which I stated that the capital stock was "undoubtedly in excess of the actual cash expenditure for plant and property," but am taken down as having said that it was "unduly in excess." I therefore hope that the stenographer will make this correction.

By Mr. PITNEY:

Q. I want to ask Mr. Bryan whether he has anything to submit in contradiction or explanation of the statements submitted by Mr. Birney and Mr. Hemphill at the beginning of our investigation concerning the rates of service and condition of service in other places generally.—A. No; I have a paper to be submitted showing the rates charged in eighteen or twenty of the principal cities, and the average is struck for each kind of service and all kinds of the whole eighteen.

Q. Have you that with you?—A. No; I have not that with me. I will send that by mail if you care for it, and I will be glad to send it. It is a rather interesting statement. It was not referred to, except incidentally by Mr. Bingham, who said something about having the rates here compared with the rates of other cities of substantially similar size, so I made up that average statement, which is in my office,

and I will be glad to send it, and will get it down to you this afternoon, if you wish it.

Q. Well, you had better submit that, because, you remember, you said it might take two weeks to get the information you wanted, and we said one week, and you have had, I think, about three or four weeks now.—A. I talked with Judge Wilson about taking up the questions in detail advanced by Mr. Hemphill and Mr. Birney, and he decided that he did not care to take them up without further talk with the committee, and by agreement with Mr. Hemphill and Mr. Birney as to what was going to be done in the way of statements. Judge Wilson is inclined to advise closing the thing up by simply submitting these two or three additional papers, unless Mr. Birney and Mr. Hemphill make statements in closing, and if that is so he desires to be permitted to also make a statement; otherwise he would not take up the time of the committee in doing so.

Q. In other words, with the table of figures you have just referred to you would be willing to rest the case, but if there should arise points for rebuttal you want to consider that?—A. Yes.

Q. Well, we have not gone on the principle of shutting the case against any kind of information.—A. If there is anything which occurs to you and we can give you additional information, if you will mention it, I will be glad to take it up.

Q. Now, Mr. Birney, what have you to say or offer this morning?

Mr. BIRNEY. It is in the line of inquiry you have just made of Mr. Bryan and is additional to what I submitted at the beginning, and I wish to offer an official copy of an ordinance recently enacted in Minneapolis, granting to the Mississippi Valley Telephone Company of Minneapolis authority to use the streets of Minneapolis for the construction of a telephone system, and I may say it seems to be a very carefully guarded ordinance, covering the subject in detail and with great care guarding the rights of the city as well as granting privileges——

Q. Is that a competitive point?

Mr. BIRNEY. Yes.

Mr. BRYAN. There is no competing company at present.

Mr. BIRNEY. The Mississippi Valley Company, which obtained the grant on March last, has accepted the ordinance and is about to construct its line. The leading features of the ordinance, which I will put in evidence, are, first, the rate, which is fixed by section 2: "For one business telephone, to be located within 2 miles of the United States general post-office as now located in said city, the sum of $48 per annum; and for one residence telephone, located within said limits, the sum of $30 per annum, and for each half mile, or fraction thereof, beyond said 2-mile limit, in an air line, the additional rental of 25 cents per month for each telephone," etc. I will not read the whole of it, but I will leave it with the stenographer. That has careful provisions for the operation of the underground system; provision that the only telephone used shall be the best, I think—"all telephones connected with the said exchange shall be connected only by metallic circuits, and no grounded wire or common return circuits, so called, shall be used or employed by said company in maintaining or operating said telephone exchange," etc.

The company is required to pay a tax to the city of 5 per cent of its gross earnings from the telephone service in the city of Minneapolis. By section 12 it was provided that the company should deposit within thirty days, as evidence of its good faith, $5,000 with the treasurer of the city of Minneapolis, and should within sixty days give a bond for $25,000 to the city.

[Published March 8, 1898, in the Minneapolis Tribune.]

An ordinance granting to the Mississippi Valley Telephone Company, of Minneapolis, authority to use the streets, avenues, and alleys of the city of Minneapolis, for erecting, constructing, maintaining, and repairing, within the city limits of the city of Minneapolis, telephone poles, with the necessary cross-arms and fixtures, and to stretch and maintain thereon wires and cables for a telephone exchange system, and to construct, maintain, and repair conduits, with the necessary manholes and service pipes, for the purpose of conducting and distributing necessary wires and cables for the maintenance and operation of the telephone exchange system.

The city council of the city of Minneapolis, do ordain as follows:

SECTION 1. The Mississippi Valley Telephone Company, of Minneapolis, a corporation organized under the laws of the State of Minnesota, is hereby authorized to erect, construct, maintain, and repair, within the limits of the city of Minneapolis, telephone poles, with the necessary cross-arms and fixtures, and to stretch and maintain thereon wires and cables for a telephone exchange system, and to operate such system, and to construct, maintain, and repair conduits, with the necessary manholes and service pipes for the purpose of conducting and distributing the necessary wires and cables within such territory within the said city of Minneapolis, as is or may be designated as the territory in which all such wires shall be required to run underground, the privileges herein granted being subject always to all ordinances, rules, and regulations of the city of Minneapolis, and subject to the conditions and provisions of this ordinance:

Provided, That nothing contained in this ordinance shall authorize the construction, maintenance, or operation of a conduit system for any purpose other than to maintain therein the telephone wires and cables of said telephone exchange, to be constructed and operated hereunder.

SEC. 2. Said Mississippi Valley Telephone Company, its successors and assigns, shall, at all times, be limited in its charges for telephone service, not exceeding the following scale of rentals, to wit:

For one business telephone, to be located within 2 miles of the United States general post-office as now located in said city, the sum of $48 per annum; and for one residence telephone, located within said limits, the sum of $30 per annum, and for each half mile, or fraction thereof, beyond said 2-mile limit, in an air line, the additional rental of 25 cents per month for each telephone; for all telephones furnished to the city of Minneapolis, and by it used for fire alarm, police, or other city purposes, not to exceed the following rate, to-wit: To furnish at least 3 telephones with switch-board service, for $2.50 per month each; 31 telephones, with switch-board service, for $1.50 per month each; 60 telephones for police calls, with care and maintenance, for $2.50 per year each; and for a rental never exceeding one-half of the present rate paid by the city of Minneapolis for such service. The right is expressly reserved, by the city of Minneapolis, to increase the number of telephones by it to be used, in accordance with the schedule price mentioned in this section.

If at any time the city of Minneapolis shall purchase and use its own telephones, connected with its own wires, or connected with wires furnished to said city by said company, such fire alarm and police service as may be required to pass over and be connected with the general telephone system of said company, shall be furnished to the city of Minneapolis free of cost.

SEC. 3. In the construction, maintenance, repair, and operation of its telephone exchange, and in the use of the streets, avenues, alleys, and public grounds of said city therefor, the said company shall, at all times, be subject to and comply with all ordinances, rules, and regulations of said city, now or hereafter in force, covering the use of streets, avenues, alleys, and public grounds, by telephone and telegraph companies, and regulating the construction, maintenance, and operation of such plant within said city, and all plans, specifications, material, and apparatus to be used in the construction and operation of said system shall be subject to the approval of the city council; all telephones connected with the said exchange shall be connected only by metallic circuits, and no grounded wire or common return circuit, so called, shall be used or employed by said company in maintaining or operating said telephone exchange, and what is known as party lines shall, in no case, be used or operated under this ordinance, nor shall more than one set of telephone instruments be attached to any circuit except when specially authorized by the city council.

SEC. IV. The term "telephone," as used herein, shall be held and construed to mean a receiver, transmitter, bell, battery, and all other appliances as are requisite for the complete equipment of such telephone instrument.

SEC. V. The privileges herein granted to the said Mississippi Valley Telephone Company are granted to it, its successors and assigns, on condition that it, its successors and assigns, will, without cost to the city of Minneapolis, provide suitable space upon their poles for wires for fire alarm and police purposes, and will, at their own *cost and expense, furnish*, string on its poles and draw in and maintain in its

conduits all necessary fire alarm and police wires required by the city of Minneapolis for its use during the life of this ordinance.

And it is further expressly provided that the said Mississippi Valley Telephone Company, its successors and assigns, shall not be required to permit upon its poles or place in its conduits wires conducting a stronger electrical current than can be safely carried on said poles and in said conduits without impairing the efficiency of the service to be carried on and over the wires of said company: *Provided*, That any question of interference arising in this connection shall be decided by the council.

SEC. VI. The said Mississippi Valley Telephone Company shall not at any time transfer its stock, or any part thereof, or its rights, or any thereof, or any of its property or effects to any other telephone or other company now or hereafter operating within the city of Minneapolis, or make any consolidation with any such company, without the consent of the city council of the city of Minneapolis, to be expressed by a resolution passed by a two-thirds vote of all the members of said council authorizing such transfer, sale, or consolidation, and the telephone exchange system to be constructed under this ordinance shall at no time be operated under any other telephone ordinance heretofore granted by the city of Minneapolis.

And further, nor shall any director of this company be a stockholder in any other telephone company or be in any wise interested in any other telephone company operating a general telephone exchange system in the city of Minneapolis.

SEC. VII. The city of Minneapolis hereby reserves the right, at its election, to purchase said telephone exchange and conduit system, authorized to be erected under this ordinance, at any time after the expiration of four years from the date of the acceptance of this ordinance by said Mississippi Valley Telephone Company, at an amount not exceeding its actual value at the time of purchase, less any depreciation in the value thereof by reason of wear and tear, or from any other cause whatever; and in case of such purchase, no value whatever shall be placed upon the franchise or privileges granted under this ordinance. The city and the said Mississippi Valley Telephone Company, its successors or assigns, failing to agree as to the amount of such purchase price, the value of said telephone exchange and conduit system shall be ascertained by arbitration—the city of Minneapolis, through its council, to select two arbitrators, and said Mississippi Valley Telephone Company, its successors or assigns, to select two; and these failing to agree, shall select a fifth disinterested arbitrator, and a decision of a majority of said board of arbitration shall be final and conclusive. In case the four arbitrators can not agree within thirty days after being so selected, or shall fail or neglect to agree on the fifth arbitrator for a period of thirty days after being so selected, then the full bench of the fourth judicial district of the State of Minnesota may select the fifth arbitrator, upon application of either party.

Nothing herein, however, nor in submitting the question of price to arbitration, shall bind the city of Minneapolis to purchase said telephones and conduit system at the price fixed by said board of arbitration, unless said city shall so elect; and if said city shall elect to purchase at the price named by said board of arbitration, it shall have one year in which to pay the price named, the said Mississippi Valley Telephone Company, its successors or assigns, to retain possession until such payment is made.

SEC. VIII. Said Mississippi Valley Telephone Company, its successors and assigns, shall not bond, mortgage, or in any manner encumber said telephone exchange and conduit system beyond or for more than 75 per cent of the actual value thereof, and in case the said city of Minneapolis shall exercise its option to purchase said telephone exchange and conduit system, as herein provided, it shall have the right to take the same, subject to any such incumbrance, deducting the amount thereof from the price to be paid.

SEC. IX. The rights and privileges granted by this ordinance are upon the condition that the said Mississippi Valley Telephone Company, its successors and assigns, shall pay, as compensation and as a consideration for the use of the streets, avenues, alleys, and public grounds of said city, for the purposes herein designated, the full sum and amount of 5 per cent of its gross earnings from telephone service in the city of Minneapolis, annually into the city treasury of said city, for the use and benefit of said city; said payment to be made on or before the 1st day of January of each and every year from and after the granting of this ordinance; and for the purpose of ascertaining the gross earnings upon which such payment shall be made as aforesaid, an accurate account of such earnings shall be kept by said company and an abstract and account thereof furnished by it to the city treasurer of said city of Minneapolis on or before the 15th day of December in each year, the truth of which abstract shall be verified by the affidavits of the treasurer and secretary of said company; and for the purpose of verifying such statement the books of said company shall at all times be open for the inspection of such officer, person, or persons as may be appointed for that purpose by the city council of said city. And for the purpose of securing to the city of Minneapolis the payment of the aforesaid per centum, the said city shall have

a lien for the payment of said per centum, and the same shall be a charge upon all the property, estate, and effects of said company whatsoever, real, personal, or mixed, and may be enforced by said city by civil action. But nothing contained herein shall be held to impair the rights of said city to enforce the terms and conditions of this ordinance:

Provided, further, That all provisions of this ordinance, providing for the payment of the per centum of gross earnings as compensation for the use of the streets, avenues, alleys, and public grounds of said city shall apply to any and all lessees, successors, or assigns of said corporation in all respects the same as the grantee herein: Provided, however, That said Mississippi Valley Telephone Company shall not be required to pay said gross earnings tax on a number of business telephones and a number of residence telephones equal in number to the business telephones and residence telephones in use by actual subscribers to all opposition telephone companies not required to pay a gross earnings tax to said city.

SEC. X. Said company shall at all times protect and save harmless the city of Minneapolis from all damage and loss from or arising out of or by reason of the construction or operation of said telephone exchange and conduit system, and by reason of any infringement of any patent upon any article or system used in the construction or use of said telephone and conduit system.

SEC. XI. Said Mississippi Valley Telephone Company shall file its written acceptance of the provisions of this ordinance with the city clerk of the city of Minneapolis on or before the expiration of sixty days from the passage of this ordinance, and shall at the same time file with said city clerk a bond with sufficient sureties, to be approved by the city council of said Minneapolis, in the sum of $25,000, conditioned that the said company shall commence its work of construction of said telephone and conduit system on or before fifteen days from the date of the filing of such acceptance, and that it will thereafter prosecute its work of construction with all reasonable diligence; that it will within the period of six months from the date of the filing of said bond expend in the actual and necessary construction of said system not less than $50,000; that it will, within a period of eighteen months from the date of filing of such bond, have not less than 1,200 bona fide subscribers with telephones connected with such system and in operation within said city; that it will comply with all the ordinances, rules, and regulations of said city in the construction and operation of said system; that they will protect and save harmless the city of Minneapolis from all damages and loss from or arising out of, or by reason of the construction or operation of said telephone exchange and conduit system, and by reason of any infringement or claim of infringement of any patent upon any article or system used in the construction or use of said telephone or conduit system; said bond to cover the full period of the construction of said system until the same shall be completed to the extent of having 1,200 bona fide subscribers with telephones in use properly connected with said system.

SEC. XII. This ordinance is granted upon the express condition that said Mississippi Valley Telephone Company shall, as an earnest of good faith, within thirty days after the passage of this ordinance, deposit with the city treasurer of the city of Minneapolis the sum of $5,000 in cash, with an agreement to be approved by the city attorney of said city, which agreement shall provide that said Mississippi Valley Telephone Company shall accept this ordinance, file said bond of $25,000, in accordance with the provisions of this ordinance; and upon failing so to do, that said $5,000 in cash shall immediately, and without any other act or thing being done, be and become the absolute property of said city as and for ascertained and liquidated damages for the failure to perform the conditions above mentioned; and said agreement shall further provide that upon the faithful performance of the provisions mentioned in this section, said $5,000 in cash shall be returned to said Mississippi Valley Telephone Company.

SEC. XIII. Failure on the part of said company to file its acceptance thereof with the city clerk, as herein provided, or to file its bond within the time limited herein, or at any time to comply with the provisions of this ordinance, shall render this ordinance null and void.

SEC. XIV. This ordinance shall take effect and be in force from and after its publication.

Passed February 25, 1898.

S. B. LOYE,
President of City Council.

Approved March 4, 1898.

ROBT. PRATT, *Mayor.*

Attest:
L. A. LYDIARD,
City Clerk.

Mr. BIRNEY. After receiving that ordinance I wrote to the mayor of the city of Minneapolis to ascertain if the company had accepted the

conditions; and I put in my letter, as well as his answer, which is written at the foot of my letter, showing that the conditions provided by the ordinance were accepted by the company.

APRIL 26, 1898.

Hon. ROBERT PRATT,
Mayor of Minneapolis, Minn.

DEAR SIR: I have to thank you for the official copy of the ordinance approved March 4, 1898, granting to the Mississippi Valley Telephone Company of Minneapolis authority to maintain a telephone system in the city.

Will you now further kindly inform me, for my use before a committee of Congress, whether the Mississippi Valley Telephone Company has made the deposit of $5,000 with the city treasurer, as required by section 12 of the ordinance, and whether it has filed its written acceptance of the provisions of the ordinance, as required by section 11.

Your early answer will much oblige me.

Yours, very respectfully, A. A. BIRNEY.

Five thousand dollars was deposited; later withdrawn when the company filed their bond for $25,000, as required by the ordinance.

F. H. FORBES,
Mayor's Secretary.

Mr. BIRNEY. I also wish to offer in evidence the forms of contracts used in St. Louis, Mo., about which we have already had some testimony; one is a business telephone contract, and the other a residence telephone contract.

Mr. BRYAN. What is the company?

Mr. BIRNEY. The Kinloch Telephone Company.

Mr. BRYAN. They are not doing any business.

Mr. BIRNEY. But they have spent a vast amount of money putting in a plant. We contrast these with the elaborate contracts covering several pages which are in use in this city. These, you see, are printed on one side of a card, the names of the directors being on the other side.

[Directors: Sam. M. Kennard, president; Wm. F. Nolker, first vice-president; Wm. D. Orthwein, second vice-president; Breckinridge Jones, treasurer; Hopkins J. Hanford, general manager; Adolphus Busch, Ellis Wainwright, Julius S. Walsh, Chas. H. Turner, C. Marquard Forster, August Gehner, Geo. J. Kobusch; C. K. Dickson Walsh, secretary.]

KINLOCH TELEPHONE COMPANY,

CENTURY BUILDING. CAPITAL STOCK, $1,500,000.

Address all communications to the company.

Counsel: Boyle, Priest & Lehmann.

ST. LOUIS, MO., ———, 189—.

I hereby agree to rent of the Kinloch Telephone Company, at my residence, No. ———, ———, one telephone on copper-wire metallic circuit, for the period of five years from the 1st day of July, 1898, upon the following terms and conditions:

1. The time of the beginning of the term may be varied six months from July 1, 1898; provided that the time from which I shall begin to pay shall not commence until the end of the then current term of my annual contract with the old telephone company, if I then have such contract.

2. To pay $36 per year, in quarterly payments, said payments to be made not later than the middle of each current quarter.

3. No payment shall be made by me, or received by the company, until the said company has at least 4,000 telephones in operation.

4. I agree to use said telephone as long as I require the use of a telephone, not to exceed five years.

5. The telephone furnished to be and remain the property of the Kinloch Telephone

Company, which company shall have authority to remove the same for nonpayment of the rental, after reasonable notice.

——— ———.

The Kinloch Telephone Company agrees to rent one telephone to ——— upon the above conditions.

——— ———.

Bell Telephone No. ——.

[Directors: Sam. M. Kennard, president; Wm. F. Nolker, first vice-president; Wm. D. Orthwein, second vice-president; Breckinridge Jones, treasurer; Hopkins J. Hanford, general manager; Adolphus Busch, Ellis Wainwright, Julius S. Walsh, Chas. H. Turner, C. Marquard Forster, August Gehner, Geo. J. Kobusch; C. K. Dickson Walsh, secretary.]

KINLOCH TELEPHONE COMPANY,

CENTURY BUILDING. CAPITAL STOCK, $1,500,000.

Address all communications to the company.

Counsel: Boyle, Priest & Lehmann.

ST. LOUIS, MO., ———, 189—.

I hereby agree to rent of the Kinloch Telephone Company, at my place of business, No. ———, ———, one telephone on copper-wire metallic circuit, for the period of five years from the 1st day of July, 1898, upon the following terms and conditions:

1. The time of the beginning of the term may be varied six months from July 1, 1898; provided that the time from which I shall begin to pay shall not commence until the end of the then current term of my annual contract with the old telephone company, if I then have such contract.
2. To pay $60 per year, in quarterly payments, said payments to be made not later than the middle of each current quarter.
3. No payment shall be made by me, or received by the company, until the said company has at least 4,000 telephones in operation.
4. I agree to use said telephone as long as I require the use of a telephone, not to exceed five years.
5. The telephone furnished to be and remain the property of the Kinloch Telephone Company, which company shall have authority to remove the same for nonpayment of the rental, after reasonable notice.

——— ———.

The Kinloch Telephone Company agrees to rent one telephone to ——— upon the above conditions.

——— ———.

Bell Telephone No. ——.

Mr. BRYAN. I hope it may be considered proper to put in the record that neither of the companies mentioned, either in Minneapolis or St. Louis, are doing a telephone business.

Mr. BIRNEY. Since the Minneapolis company was authorized only in March to do business there, it is, of course, impossible they could have established their plant; but I think it will be found that the Mississippi Valley Telephone Company is not a new organization and has had experience elsewhere.

Mr. PITNEY. You submit forms of contracts; are they alike?

Mr. BIRNEY. No, sir; one of them is for business and the other for residence.

Q. Well, submit the forms to the stenographer for insertion. If you do not want to give them up, why make copies of them.

Mr. BRYAN. May I ask whether the Mississippi Valley company is actually operating a telephone plant?

Mr. BIRNEY. At least I am informed it is operating in several cities of the Mississippi Valley.

Mr. BRYAN. That is rather indefinite. They are not in cities of any consequence in the Mississippi Valley unless you take that valley as including everything between the Appalachian range and the Rocky

Mountains; and I think you might get at one of them so as to make it clear to the committee.

Mr. PITNEY. What did you say?

Mr. BRYAN. I simply said to Brother Birney he might indicate some one of the cities in the Mississippi Valley. In the broad sense that takes in a good many cities, and he ought to be able to pick out one. I think you will find by reference to Bradstreet's or Dunn's that the Mississippi Telephone Company is not rated and is not named.

The CHAIRMAN. Is that all you have to submit, Mr. Birney?

Mr. BIRNEY. That is all I have at present. I had hoped to have had a witness before you this morning, and he should have been here an hour ago. I was informed by wire that he would be here at half past 9 o'clock, but he has not come.

The CHAIRMAN. Have you reason to think he may come in a little later in the morning?

Mr. BIRNEY. I have nothing in contradiction of his dispatch received yesterday afternoon that he would be here at half past 9, and I imagine he will be here a little later. His train may have been delayed.

The CHAIRMAN. I am perfectly willing to wait.

Thereupon the committee adjourned to meet at 10 o'clock on Friday, June 3, 1898.

FRIDAY, *June 3, 1898.*

The committee this day met, pursuant to adjournment.

At the request of Mr. Bryan, Mr. Pitney submitted for insertion in the record Mr. Bryan's letter to him, dated June 2, with the accompanying schedule of telephone rates in different cities of the United States.

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY.

Washington, D. C., June 2, 1898.

Hon. MAHLON PITNEY:

Acting Chairman Select Committee House of Representatives,
charged with making inquiries concerning telephone rates, District of Columbia.

DEAR SIR: Referring to our conversation of yesterday, on the subject of telephone rates, averages, etc., I now have the honor to submit, with this, a sheet showing the population and telephone rates in eighteen cities of the United States. I have made a comparative analysis of the rates that prevail, and find that the average rates charged in Washington are less than the average of the eighteen other cities; some larger, but many of them of less population.

Yours, very respectfully,

SAM'L M. BRYAN,
President and general manager.

Telephone rates, 1898.

Population in 1890.	Cities.	Business.			Residences.			Measured service.			Remarks.		
		Metallic circuit.		Grounded circuit, special.	Metallic circuit.		Grounded circuit, special.	Metallic circuit (600 calls per annum.)					
		Special.	2-party.		Special.	2-party.		Special.	2-party.	3-party.			
1,515,301	New York	$240			$240			$90					
1,099,850	Chicago	175		$125	125		$100				No measured service.		
1,046,964	Philadelphia	160							$60				
451,770	St. Louis	150	$100	100	100	$80	60	66	50				
448,477	Boston	168	147	120	122	108	96		60				
434,439	Baltimore	125	100	78	100	80	78	66	50	$42			
806,343	Brooklyn	150	120		100	75		73	58	48			
296,309	Cincinnati	125	100		100	80		60					
261,546	Cleveland	120	100	72	100	80	60	60	50	42			
255,664	Buffalo							57					
242,039	New Orleans	120		96	73		55						
204,150	Milwaukee	120	100	72	70		50	57					
164,738	Minneapolis	120	100	72	100	80	60						
133,156	St. Paul	120	100	72	100	80	60						
132,099	Providence	120	100	60	120		60	60	50				
106,713	Denver	120	100	80	90	72	72						
180,000	Jersey City	150			100	40		65			Total.	Average.	Per centage.
181,518	Newark	150	120	40	65	48	30						
		17)2,438	12)1,287	12)987	16)1,705	11)823	12)781	10)654	7)378	3)132			
	Average	143.12	107.25	82.25	106.56	74.82	65.08	65.40	54.00	44.00	$742.48	$82.50	
230,392	Washington	125	100	100	100	80	72	66	54	45	742	82.44	99.93
	Less	18.12	7.25		6.56						.48	.06	.07
	Greater			17.75		5.18	6.92	.60		1.00			

Mr. HEMPHILL. Mr. Hill, of Baltimore, is here and we thought he would be able to give the committee some considerable information, and if he be sworn we will find out whether we can get something from him.

TESTIMONY OF NICHOLAS HILL, JR.

NICHOLAS S. HILL, jr., sworn and examined.

By Mr. HEMPHILL:

Q. Mr. Hill, state your name and occupation.—A. Nicholas S. Hill, jr., consulting engineer.

Q. What is your age?—A. Thirty.

Q. What experience have you had in the way of the construction of underground conduits or overhead wires, or anything in that line?—A. I was engaged by the electrical commission appointed by the city council of Baltimore, under an act of the legislature of Maryland, to construct a system of underground conduits for a police and fire-alarm telegraph, and under that act constructed and placed underground in the city of Baltimore such system, and subsequent to that a bill was passed authorizing the city of Baltimore to appoint a commission to investigate and determine the best mode of disposing of the overhead wires of all the electric companies operating in the city, and under that act I was appointed as engineer of the commission which was required to make that investigation. The work that I have done has been largely in the city of Baltimore.

Q. I might ask you whether you had graduated at any institution teaching electrical knowledge?—A. I am a graduate of the Stevens Institute of Technology in Hoboken, graduating in 1892 from that institution.

Q. What was the amount of this construction in Baltimore for the police and fire-alarm telegraph system?—A. We covered about 31 miles of streets with the underground system.

Q. You have no overhead—— —A. The overhead work was altered and changed—that is, the routes in the outlying districts which we did not cover with the underground system——

Q. Was constructed of overhead wires?—A. Yes.

Q. How many miles were there of that?—A. I do not recollect the exact amount.

Q. What kind of duct did you use for the construction of this?—A. We used partly what is known as the Camp tile—a terra-cotta duct—laid in concrete, and partly cement-lined tubing laid in concrete and manufactured by the National Conduit Company of New York.

Q. How many ducts did you have?—A. Our system varied from 6 and 8 to 2 ducts.

Mr. BRYAN. From 6 and 8——

Mr. HILL. To 2; that is, some parts had 2 ducts, some parts had 8 ducts and some parts 6 ducts.

By Mr. HEMPHILL:

Q. What kind of surfacing did the streets have which you used there for laying this?—A. We laid duct under sheet asphalt, block asphalt, Belgian block, and cobblestone.

Q. What was the total cost of the construction of those 31 miles?—A. About $246,000, that is, including the electrical equipment, the cables, etc.

Q. That is for the 31 miles of underground?—A. As complete with the electrical equipment.

Q. Can you tell how much was under sheet asphalt and how much was under the other?—A. No, I can not give you the relative number of miles under sheet asphalt and under cobble.

Q. What is the comparative cost between the sheet asphalt and the other styles of street construction?—A. I can give you approximately the difference in cost between the different styles of pavement. You want the sheet asphalt——

Q. Yes, and cobble or brick, and block asphalt. What is the comparative cost of construction under the different systems of street surfacings?—A. These tables which I am using were prepared in connection with the cost of the general system of conduits to be constructed in the city of Baltimore for the purpose of accommodating the various classes of wires there and the estimates were based on the use of four different kinds of conduits. The most common in use are the iron pipe, cement-lined pipe, the McRoy terra cotta conduit, and the Camp terra cotta. Now we will take the Camp for instance—what number of ducts do you want to take?

Q. It varies according to the number of ducts?—A. Yes.

Q. Give several.—A. We will take a 10-duct conduit under sheet asphalt, Camp tile 3-inch ducts, the cost will be approximately $2.50 a foot.

By Mr. PITNEY:

Q. Have you got that graphically displayed?—A. Yes, sir.

Q. Have you got a copy of your sketch or only one copy of each?—A. I only brought this one copy over for my use in giving the figures. If the committee desires I can forward copies. Under cobblestone pavement same class 3-inch Camp tile costs approximately $1.70 a foot.

Q. Were these graphical illustrations made up from your actual experience or from estimates you received for the purpose of the plant to be put in?—A. These graphical diagrams are made up, first, from the actual cost as we found it from laying conduits in Baltimore, and, secondly, from estimates of five or six reliable contractors from whom we got estimates; thirdly, from individual estimates made in the office, taking into consideration certain difficulties and local conditions which we would find in Baltimore, and finally, taking the whole thing up and averaging. By this means we got what was thought to be a fair basis of cost.

Q. These graphical illustrations show the average of your experience and estimates combined?—A. Yes, sir.

Mr. PITNEY. I suggest, Mr. Hemphill, that covers a pretty wide variety of construction, and it is not very easy to get into the printed hearings the graphic form. It will either have to be tabulated or mentioned in detail. A tabulated statement will be of much more use if it could be obtained, and it may not be necessary to put the whole thing in, and if you could confine the examination to that which bears a reasonably close comparison to the nature and quality of the work that is in use in the telephone system in Washington it will be a good thing.

Mr. HEMPHILL. Well, sir, I thought I would ask these questions with a view of getting the main points.

Mr. PITNEY. Are you asking him questions which relate to the character of the ducts either in use in Washington or could be used in a telephone system?

Mr. HEMPHILL. As I understand it, the ducts which are used here are——

The WITNESS. Multiple.

Mr. HEMPHILL (continuing). And made of terra cotta, and I understand there are two kinds of terra cotta, the Camp and some other.

The WITNESS. The conduit that the telephone company uses principally is made by local parties, and it is the multiple form of conduit, very much the same type of duct as the McRoy.

Mr. HEMPHILL. Would it cost about the same?

The WITNESS. I should judge about the same.

Mr. PITNEY. There is something in the hearing about this, and if I could find it it would suggest questions, perhaps.

Mr. HEMPHILL. I have forgotten exactly where that statement occurs in the hearing.

Mr. PITNEY. And unless I have something to compare it with it will not be so very easy to ask questions.

The WITNESS. The Camp duct and the McRoy duct and the duct which has been used in Washington by the telephone company cost approximately the same to lay and for the general purposes of comparison will be near enough.

By Mr. HEMPHILL:

Q. Take the asphalt covering and give an estimate of what it will be to lay 2 ducts, 4 ducts, and 6 ducts.—A. We can take the 5, 10, and 15 ducts and you will get the same average. I have taken the 10. The 5 ducts under cobblestone, approximately, $1 per foot; 10 ducts under cobble, approximately, $1.70 per foot; 15 ducts under cobble, approximately, $2.25 per foot.

Q. You need not go higher than that. Take the other.—A. Under asphalt, 5 ducts, approximately, $1.70 a foot; 10 ducts, $2.50 per foot, and 15 ducts, $3.10 per foot.

Q. Have you anything less than 5 ducts there?—A. Yes; we started in with 4; 4 is the lowest we had.

Q. What did that cost?—A. Four ducts under cobble, 70 cents; 4 ducts under sheet asphalt, $1.50.

Q. What would it be under bricks?—A. We have not an estimate under bricks, but the cost under bricks would be approximately the same as—you mean a vitrified pavement on a concrete base?

Q. I mean the ordinary brick as used for pavement?—A. For sidewalks; that will be approximately the same as for cobblestones.

Q. You have given it for cobblestone there?—A. Yes.

Q. How does the underground construction compare with the overhead? Can you make a comparative statement as between the cost of the two?—A. I have an estimate here based on the comparative cost per mile of pole-line construction, or overhead, and underground construction. For 120 telephone conductors on overhead system, that is, pole line, of ten 12-pin cross arms and on the basis of 3-inch underground ducts capable of carrying a 100-pair cable or 200 wires——

Mr. BRYAN. Do you mean ten 12-pin cross arms or twelve 10-pin cross arms? You know there are no 12-pin cross arms.

The WITNESS. No, I do not know that. I said ten 12-pin cross arms. The total cost estimated for the first year, including the interest depreciation, maintenance, etc., and the tax on poles—there is a pole tax in Baltimore—makes a total cost at the end of the year of $6,092.38.

By Mr. PITNEY:

Q. For what distance, per mile?—A. Per mile.

Q. What is the tax on poles?—A. Two dollars per pole.

Q. And how much a mile?—A. The poles run on an average about

100 to 120 feet apart. That would be about 40 poles to the mile. On the underground system the total cost the first year is $3,364. Interest depreciation, maintenance, tax on poles, etc., annually on the overhead, approximately, $900 a year, and underground, $550.

Q. How much of these estimates are accounted for by depreciation; depreciation is simply an estimate?—A. We have taken interest in this case for the stock issued for construction at 3 per cent. On the underground depreciation is estimated at 1 per cent, maintenance and superintendence 3 per cent, reimbursement to sinking fund 3 per cent, and profit on investment at 5 per cent. On the overhead system we have taken the depreciation—the others remain the same, the only difference being in the maintenance, which we have placed at 8 per cent.

Mr. HEMPHILL. That is on the overhead?

The WITNESS. Yes.

Q. As I understand you now, in this computation the only difference you have made between the estimated cost of the overhead and underground is that of maintenance?—A. Maintenance.

Q. And you put the maintenance for the overhead the first year at 8 per cent, and the underground you put at 3 per cent?—A. No; at 1 per cent.

Q. Which costs the most per mile according to your computation?—A. The overhead, both in the matter of construction and maintenance. Of course this estimate is made with a view of the fact that the underground conduit system is laid up in a number of ducts. It is not a single duct line, but for the purposes of comparison for depreciation in the system it shows approximately the comparative cost of the overhead and the underground system for telephone service.

By Mr. PITNEY:

Q. You have to apply a correction for your average mileage; a given mile of conduit might be made up of a certain quantity of eight-way ducts, and a certain quantity of six-way ducts, a certain quantity in four-way ducts, and a certain quantity in two-way ducts, and it would be somewhat difficult to make up the cost of maintenance without knowing just what was the proportion of each?—A. This estimate we made up is reduced to the basis of one duct, a one-duct basis.

Q. Then, the cost of maintenance would not increase proportionately for a six-duct conduit?—A. The cost of maintenance for six ducts would be proportionately very much less than for one duct.

Q. And the cost of maintenance for a two-way duct would be proportionately so much higher——A. Than for the six ducts. This is reduced to the one-duct basis for the purpose of comparison. This is for a 3-inch duct that will hold a 100-pair cable—a cable capable of carrying 100 metallic circuits.

Q. Are you giving the cost of maintenance as it would be if the whole system was made up of one-duct conduit?—A. We are giving the cost of maintenance reduced to the basis of a one-duct conduit, taking the whole system. There are 30 miles of conduit and 130 miles of ducts, and the cost of maintenance is a given amount. We take the total duct mileage and reduce the cost of maintenance to a single-duct basis. You see what I mean?

Q. You take an average of all the different kinds of conduit, whether it is a one-way, two-way, six-way, or eight-way?—A. Yes.

Q. Then, perhaps, you ought to tell us what proportion of the system is one-duct conduit, what proportion is two-duct conduit, and what proportion a four, six, or eight duct conduit?—A. I can not tell you exactly, but in the underground system for the police and fire-alarm telegraph

of Baltimore a large proportion is one and two ducts, and as the system is spread out considerably it is not large in its duct mileage. In conduit mileage it represents a fair system, but in duct mileage it is a comparatively small system.

Q. You have given the conduit mileage, have you?—A. Yes.

Q. And it is 30 miles?—A. Thirty-one miles.

Q. What is the duct mileage?—A. I do not remember exactly, but I do remember the ducts average between three and four.

Q. Now, for a system averaging six ducts to the conduit, taking the city at large, the cost of maintenance per duct per mile would naturally be considerably less?—A. It would be less.

Q. And if the system averaged two and a half ducts to the mile it would be a little more?—A. Yes.

Q. Very well, go ahead and give the result the best you can. You see what I am driving at?—A. Yes, and I am glad you brought it out at this point, because this is all reduced to a one-duct basis.

Q. It is based on averages?—A. Of about three and a half ducts to the conduit.

Q. But it may be somewhat important for us to know just exactly what are the averages.—A. I could give that.

Q. Do not let me interrupt you too much.—A. That is simply a statement of the comparative cost at the end of the first year.

Q. Have you got something else there which will show this for a number of years?—A. I have not carried this thing on in extenso.

Q. That is the result of the actual experience in the first year after the installation of the plant?—A. This estimate is based on the returns from the Department.

Q. How long has the plant been in use?—A. These tables are made after communication with electrical companies all over the United States. This commission was appointed for the purpose of making an investigation——

Q. Do you not go further than that, the first year of the plant in your estimate?—A. The expense of the system after the first year would be in favor of the underground, because the cost of renewals is not so great for the underground as for the overhead. We have taken this up the end of the first year simply to show what the difference of cost of maintenance would be for the year.

Q. You demonstrate it would be cheaper on the whole, even in the first year, to maintain the underground system than the overhead system?—A. Yes.

Q. And being satisfied with that it was more clear the difference after the first year would be still more favorable to the underground system, is that the idea?—A. Yes, sir.

Mr. HEMPHILL. Have you not got a good deal of material here, at least some material in these reports, being letters from electrical experts upon these questions, showing what the maintenance is?

The WITNESS. We took up the question of individual cities and visited various cities throughout the country, and in that connection saw general managers, superintendents of different companies, and got information and data from them in relation to the cost in the different parts of the country, and, as I say, these estimates are what we considered a fair average, something that would certainly pertain in Baltimore and would average in any city.

By Mr. PITNEY:

Q. Is it a fair deduction from the result of experience in the different cities in the country where they have underground conduits and over-

head wires?—A. Yes; such as New York, Boston, Providence, Philadelphia, Cleveland, Detroit, Buffalo, Chicago, Cincinnati, St. Louis, and different towns throughout the country.

Q. Then I must have misunderstood you. It is not the result of your actual experience of one year in Baltimore, but is the result of expert inquiry and investigation into experience elsewhere?—A. It all comes to the result of these estimates. We took the actual cost for a year in Baltimore and had that before us, and in connection with that we took the information we got from experts in different parts of the country.

By Mr. HEMPHILL:

Q. Have you any data showing what the maintenance of the underground system costs after the first year?—A. Well, I can give you the experience of the police and fire-alarm telegraph in Baltimore.

Q. Well?—A. There the cost of the underground system has practically been nothing since it was put in.

Q. How long has it been in operation?—A. It has been in operation about two years.

Q. Do you know what the maintenance of the overhead system is?—A. No, I can not give you that.

Q. Has the Chesapeake and Potomac Company any underground construction in Baltimore?—A. Yes.

Q. Were you familiar with it or see it going on there?—A. We used the conduits of the Chesapeake and Potomac Company for our cables in certain portions of the city.

Q. Do you know what kind of ducts they use?—A. They used a duct manufactured by—I forget the name of the company—but a local industry here in Washington. It is a multiple form of duct, a square duct.

Q. Terra cotta?—A. Terra cotta.

Q. Do you know how the others compare with those in cost?—A. I never knew the exact cost of the ducts of the Chesapeake and Potomac Company. I never had those figures.

Mr. BRYAN. And you just stated you visited the different cities for the purpose of getting testimony and information.

The WITNESS. Yes, sir; and always found the Bell people hard to get information from.

Mr. BRYAN. You did not consult telephone people outside?

The WITNESS. I consulted some of them, but I never got the cost of your ducts here.

By Mr. HEMPHILL:

Q. Take this system in Baltimore. How much of it is used for the police and fire-alarm telegraph?—A. Of the Chesapeake and Potomac Company?

Q. No?—A. Of our own system; we laid ducts in excess of our actual requirements there.

Q. How largely in excess?—A. Well, we use, I should say, about 60 per cent, probably, of our system.

Q. What do you do with the remainder?—A. We are renting it to the Home Telephone Company.

Q. What does that rent pay per mile?—A. They are paying us at a rate of 7 cents per foot rental.

Q. Per duct?—A. Per duct.

Mr. PITNEY. Seven cents per foot per annum for each duct?

The WITNESS. Yes, sir. That is for each duct capable of holding a one hundred pair cable through which they could operate a hundred metallic circuits.

Mr. BRYAN. You mean you constructed not in excess of your future requirements, but in excess of your present requirements. You do not mean to say you made a report to the city to build a certain amount of ducts that you would never require?

The WITNESS. I mean to say I suggested they would build more than they would ever need themselves, with a view of doing what they are doing now—that is, renting.

Mr. HEMPHILL. Do you know what the return is from this rental annually—the revenue?

The WITNESS. The return pays us a little over 3½ per cent on the total cost of the conduit system.

By Mr. PITNEY:

Q. There is one other question you have not been asked. You use in your public service about 60 per cent of the total duct capacity?—A. Yes.

Q. Do you rent the whole, or what proportion of the remainder?—A. With our arrangement with the Home Company they are renting the whole of the 40 per cent remaining.

Q. And are paying rent on that?—A. On the 40 per cent remaining, at the rate of 7 cents per foot per duct per annum.

Q. Whether they use the whole of it or not?—No, they are not using the whole of it. I know they are not.

Q. At any rate, you are getting rental from them at the rate of 7 cents per foot per mile per annum, which returns 3½ per cent per annum on the cost of the total plant?—A. That is the cost of the conduit, not including the cables.

Mr. BRYAN. That is 3½ per cent on the total cost of the conduit?

The WITNESS. Of the conduit.

By Mr. HEMPHILL:

Q. State whether there is any difficulty in putting the wires for telephones, for the fire alarm, for the police, and for the electric lights in the same duct or conduit?—A. In relation to the question of the police and fire-alarm telegraph and the telephone wires, there is no difficulty. The question of whether it is practical to lay electric-light wires underground together with the telephone wires is a question which is greatly discussed, and there is a good deal of difference of opinion upon it. Personally, I do not think I should hesitate to recommend it.

Q. Your judgment is, it is feasible to do so, then?—A. Yes.

Mr. BRYAN. There is no impediment in the world, but the question is whether they should be put there.

Mr. HEMPHILL. You understand my question, can they put them in and one not interfere with the other?

Mr. BRYAN. How can one know when they have not tried it?

The WITNESS. Yes.

Mr. BRYAN. Excuse me for trying to protect your witness.

Mr. HEMPHILL. The only reason for having an expert is to find out what is not known positively.

Mr. BRYAN. In regard to that, I think it is pretty near time to insist that the question be so framed as to bring out the fact whether Mr. Hill knows it to be a fact that electric-light wires or wires carrying a current of high potentiality can safely be put in the same conduit with other wires, and that would carry with it the question whether they can be carried, if through the conduits, in the same manhole with other wires, and safely carried there.

The WITNESS. I can safely say that in Philadelphia to-day there are

telephone wires and a 5,000-volt circuit working side by side in the same manhole, and there is the testimony of Professor Rowland, of Johns Hopkins, who was called in to assist us in this matter along certain experiments, and his conclusion in the matter is in the same line, that there is absolutely no real reason why these electric-light and telephone wires could not be operated together.

Mr. BRYAN. It is simply theory?

The WITNESS. The fact is they are operated in Philadelphia, and I have seen them side by side.

Mr. BRYAN. If it is operated in Philadelphia, it is well to be specific and state how and where?

The WITNESS. They are operated in conduits, under Mr. Walker, in the city's conduit system. They have the telephone and alternating current circuits working side by side, and also the same in Chicago.

Mr. BRYAN. In the same manhole?

The WITNESS. Right through the same manhole.

By Mr. HEMPHILL:

Q. Have you seen it in Philadelphia?—A. Yes, sir; I have.

Q. Who is the professor from the Johns Hopkins of whom you spoke, or is he a professor?—A. He is professor of electricity, Henry Rowland. Professor Rowland was on the commission which was appointed by the District of Columbia to investigate the question of underground wires for the city of Washington. Their report is on file here; it is probably in the library. You can find, if you desire, the whole text of his opinion there in relation to this matter. This thing was written some seven or eight years ago.

Q. Electrical commission appointed by act of Congress?—A. Yes; consisting of Professor Rowland, Mr. Andrew Rosewater, and Lieutenant Shunk, of the United States Army. They were appointed a commission to investigate the question of underground wires in the District.

Mr. PITNEY. When was that?

Mr. BRYAN. About 1890. The report was never acted upon.

Mr. PITNEY. What was that report? I have got several reports here I have looked up on the subject. When was this report made, Mr. Bryan?

Mr. BRYAN. I think it was about 1890.

The WITNESS. It was 1889 or 1890.

Mr. PITNEY. Whose report was it?

Mr. BRYAN. It is the report of a commission appointed by Congress to take into consideration the location and arrangement of electric wires in the District of Columbia. It was a provision in an appropriation bill in 1889, I think, or 1888.

Mr. PITNEY. Here is a report signed by Maj. Charles W. Raymond, Engineer Commissioner of the District of Columbia, dated December 6, 1888.

Mr. BRYAN. This followed that.

By Mr. HEMPHILL:

Q. Mr. Hill, what company is it which rents these subways in Baltimore?—A. The Home Telephone Company.

Q. Is there more than one telephone company in Baltimore doing business?—A. There are two companies operating—the Chesapeake and Potomac and the Home Company.

Q. Do you know how many subscribers the Home Telephone Company has?—A. I do not know exactly, but I think they have in the neighborhood of 800 or 900.

Q. What are their rates?—A. They charge, I think, $35 a year for house service and $45 for stores; warehouses, hotels, and business places. Is that right, Mr. Bryan?

Mr. BRYAN. No, it is not right, but I do not know what it is offhand.

The WITNESS. Well, that is it approximately, but I will look it up and let you know positively about it.

Mr. HEMPHILL. How is the service of the Home Company; is it satisfactory or unsatisfactory, and how does it compare with the other?

Mr. PITNEY. Is the witness speaking of his own knowledge?

Mr. HEMPHILL. Yes.

The WITNESS. My use of the Home's phones has been very satisfactory.

By Mr. HEMPHILL:

Q. Do you have it in your office or not?—A. I have not.

Q. Do you know anything about the financial condition of the company of your own knowledge?—A. Of the Home Company?

Q. Yes.—A. No; I know nothing of the financial condition outside of the fact that they are in the hands of receivers.

Q. You do not know what put them there?—A. I do not know the details of that. I do not know except as an outside citizen; I do not know anything of the inner workings of the Home Company, as I have had nothing to do with them whatever.

Mr. BRYAN. What usually places corporations in the hands of a receiver?

Mr. PITNEY. What is that, Mr. Bryan, you said?

Mr. BRYAN. I asked Brother Hemphill what usually places corporations in the hands of a receiver?

Mr. HEMPHILL. Very often it is the scheming of their opponents.

Mr. BRYAN. I thought it was inability to meet their obligations?

Mr. HEMPHILL. Not always.

By Mr. PITNEY:

Q. How long has the Home Company been in operation in Baltimore?—A. I should say about sixteen or eighteen months, with more or less phones.

Q. Do you know how long they have been in the hands of receivers?—A. I do not recollect the exact date, but I think it has been about eight months to a year.

Q. Have the receivers operated the company?—A. Yes; they have been operating the company.

Q. Have the rates changed since the receivers were appointed?—A. No.

Q. Do you know whether the number of subscribers has increased or diminished since then?—A. I do not.

Q. Are you using their telephone in your house or office?—A. No, I do not.

Q. Have you had occasion to use their telephone?—A. Yes; I have had occasion to use them quite frequently. I did use them quite awhile, as I was adjacent to an office which had a Home telephone in it, and I had one or two friends who had Home telephones and no Chesapeake and Potomac, and I would operate one nearly every day or two.

Q. Of course you have used the Chesapeake and Potomac phones?—A. Yes.

Q. How does the service compare?—A. Gentlemen, really I do not think it is a question that is exactly fair. I did not come over here to

testify as to the relative merits of the Home or Chesapeake and Potomac Telephone Company.

Mr. HEMPHILL. You can say whether the Home was satisfactory or not. You need not say anything against the other.

The WITNESS. I say the Home is satisfactory and the Chesapeake and Potomac is satisfactory.

Mr. HEMPHILL. I do not know that I have any further questions.

Mr. PITNEY. Mr. Bryan, do you wish to cross-examine the witness at the present time?

Mr. BRYAN. I should prefer not to do so.

Mr. PITNEY. Mr. Bryan, on behalf of the committee, I would like to repeat a request or demand that the committee made upon you some weeks ago in the absence of the stenographer, so that it does not appear upon the notes of the hearing, and that is, the demand that you will furnish to us at the earliest practical moment—I understand you have the material prepared—a list of all telephones in use in the city on the date of the passage of the resolution by which this committee was appointed, or at any time since that, for which no rentals are charged, and also a list of those which are now in use, and I would like to have you give the name of the user, whether connected with your company or not, separating those names, and the location of the telephones in use, and I will say that the committee on receipt of the information will reserve for further consideration the question of whether the reply to this demand be embodied in the hearings. At any rate, we want to give formal notice, and we would like you to produce this as soon as possible.

Mr. HEMPHILL. Mr. Bryan furnished a list of rates in a number of cities and I want to ask him if he can tell us whether there is any competing company doing business in those cities save the city of Baltimore.

Mr. BRYAN. I do not like to make that statement offhand, but I gave what I supposed the committee required on the suggestion made through Mr. Bingham, and I understand the table I have given very fully answers the requirements at that time, and I have not for several days gone over that list to see what cities are named there. I have only more or less clear in my mind where competition exists, but there are 18 cities named there which compare fully with Washington. Some have a greater population and some have less.

Mr. PITNEY. Mr. Hemphill's question and your reply both relate in regard to your communication to me of the 2d of June, and to the table of rates in different cities accompanying that communication?

Mr. BRYAN. Yes, sir.

Mr. PITNEY. We want to know whether the cities given in this table all use the Bell telephone; and if not, which of them use another system.

Mr. BRYAN. The cities named there and the rates opposite to them relate to users of the Bell telephone instruments.

Mr. PITNEY. You do not know of any of those cities having competing companies, other than Baltimore?

Mr. BRYAN. None other than Baltimore.

Mr. PITNEY. Mr. Hemphill, the tables you have submitted include these cities, and also other cities?

Mr. HEMPHILL. I can not remember what cities there were, as we submitted so many of them, but I think that table bears out really the contention we have made all the time, and that is, so far as the Bell Telephone Company is concerned, or those who use their instruments,

that their rates are comparatively the same in all cities. Wherever there is a different system used, you will find the rates are about 50 per cent of those charged by the Bell telephone system.

Mr. PITNEY. Mr. Bryan, could you furnish the number of telephone subscribers in these several cities? You have not got that down here.

Mr. BRYAN. I have not got that information. I could have obtained it easy enough, and possibly I may be able to get it for you in the cities which are named here. I can telephone to many of them and telegraph to others and get the number of instruments that they have in use.

Mr. PITNEY. I wish you would.

Mr. BRYAN. In Baltimore there is competition, and the rates there of the competing company have more disparity to our rates than the percentage given by Mr. Hemphill.

Mr. PITNEY. In other words, the rates of the Home Telephone Company in Baltimore are less than half that your company charge in Baltimore?

Mr. BRYAN. Yes, they would be less than half. We have in no wise changed our rates in Baltimore because of the opposition.

Thereupon the committee adjourned to meet on Thursday, June 9, at 10 a. m.

MONDAY, *June 13, 1898.*

The committee met at 10.30 a. m., pursuant to adjournment.

N. S. HILL, JR., RESUMED THE STAND AS A WITNESS.

The WITNESS. Mr. Chairman, in reading over my testimony given at the last meeting, I notice in one or two places, in relation to certain figures which were given there, some corrections that I desire to make, and I would like to make a statement in regard to that.

The CHAIRMAN. Certainly; you are at liberty to make any corrections you desire.

The WITNESS. On page 420 of the record, in relation to my testimony in regard to the comparative cost of underground and overhead construction, I desire to change that slightly. In reading this table hurriedly the other day I took the figures in relation to some other work. This is the comparison of overhead and underground construction, and was made by reducing as nearly as possible the conditions of the overhead and underground to the same basis. At the present time the usual full line of overhead will carry about 120 conductors, and a 100-pair cable, which is usually used in the underground work, will carry 200; so, for the purposes of comparison and taking the cost of a 120-conductor overhead line, I have deduced the cost of a 200-conductor line in the proportion of 120 to 200; that is, not taking the cost of two separate lines, which would be more expensive, of course, but on the same basis, reducing from the cost of the 120 to the 200 conductor line, and I compared that with the cost of the underground system.

On that basis, allowing 15 per cent for interest, maintenance, depreciation, etc., on the overhead line, I find the cost at the end of the first year to be $6,092.38. I find the interest, maintenance, depreciation, tax on poles, etc., to be $871.18. This is under the conditions prevailing in Baltimore. In the underground system the cost on the basis of

the average cost per foot of duct of all the different numbers of ducts laid—or, in other words, there is a system composed of 3, 4, 6, 8, 10, and 12 duct lines. The cost of the twelve is different from the cost of the three. I have taken the total cost of the system and the total length of ductage and have divided the total length of ductage by the total cost of the system, and in that way have gotten the average cost per foot.

On that basis, the cost of 1 mile of conduit equipment would be $5,095, and with interest at 9 per cent, that will make the cost $5,553.66 at the end of the first year. The reason the interest is only taken at 9 per cent on the underground is that the cost of maintenance and depreciation is less on the underground system than on the overhead system. I find, therefore, that the interest per annum on the underground system is $458.56. I simply want to make the statement I have made to go in with my testimony.

The CHAIRMAN. That is the extent to which the witness desires to correct his testimony already given?

The WITNESS. Yes, sir. There are one or two other small matters.

Mr. HEMPHILL. Had you not better state what you mean by interest at 9 per cent? You do not mean the earnings——

The WITNESS. No, not the earnings capacity. I mean including the interest, maintenance, wear and tear, all the fixed charges—9 per cent.

Mr. HEMPHILL. That amounts to 9 per cent of the——

The WITNESS. Gross earnings.

Mr. PITNEY. Gross earnings?

The WITNESS. I mean 9 per cent of the cost.

Mr. PITNEY. Do you mean that 9 per cent of the cost of the underground plant will cover the interest on the capital invested?

The WITNESS. Yes.

Mr. PITNEY. And wear and tear?

The WITNESS. Wear and tear.

Mr. PITNEY. And cost of maintenance?

The WITNESS. Yes, sir.

Mr. PITNEY. That is what you mean to say, is it?

The WITNESS. Yes, sir.

Mr. PITNEY. All other annual charges properly to be attributed to the underground construction?

The WITNESS. Including interest at 3 per cent.

Mr. PITNEY. Very well. Have you included in that anything for depreciation?

The WITNESS. Yes, sir.

Mr. PITNEY. Can you analyze that 9 per cent for us?

The WITNESS. On the overhead, you take interest at 4 per cent, maintenance 3 per cent, depreciation 8 per cent, making 15 per cent.

Mr. PITNEY. Now take underground.

The WITNESS. On the underground, interest 4 per cent, maintenance 3 per cent, depreciation 3 per cent, making 9 per cent in all.

Mr. PITNEY. Depreciation 3 per cent. Is that charging enough for depreciation?

The WITNESS. I think it is more than fair.

Mr. BRYAN. That is on underground?

The WITNESS. Yes; I made a statement here in relation——

Mr. BRYAN. What page?

The WITNESS. I am just looking for it. (Continuing): The rates of the Home Telephone Company in Baltimore. I have seen about that since going there, and I found that their charges, instead of being $35

per annum for house service and $45 per annum for stores, are $36 per annum for houses and $48 per annum for stores.

The CHAIRMAN. Have you any other corrections you desire to make in your testimony as recorded?

The WITNESS. I think that is all.

Cross-examination by Mr. WILSON:

Q. Mr. Hill, I see by your testimony that you left school in 1892?—A. Yes, sir.

Q. And when were you employed electrically first?—A. How do you mean—employed electrically?

Q. I mean, when were you first employed in relation to matters of the construction and operation of electrical appliances, etc., for telephone use?—A. For telephone use? I have never done any work on telephone exchanges. In other words, I am not what they call a telephone engineer.

Q. Well, when did you have your first employment in that line?—A. I never was employed as a telephone engineer.

Q. What has your employment been since 1892, when you left school?—A. Variously employed. In the first place, with the South-side Elevated Road in Chicago.

Q. Anything of an electrical character there?—A. Yes, sir; we put in an electric plant for their road and experimented there all the time in relation to electrical equipment of that road.

Q. How long were you employed there?—A. About seventeen months, I think, or eighteen months.

Q. Then, where were you next employed?—A. I was next employed by the sewerage commission in the city of Baltimore.

Q. Was there anything of an electrical character in connection with that employment?—A. No, sir.

Q. How long did that last?—A. Five or six months, I believe.

Q. Then, where were you next employed, and how?—A. I was next engaged as engineer on the subway commission of Baltimore City.

Q. And what was that subway system for?—A. That subway system was for the police and fire-alarm telegraph systems.

Q. In what year did that begin?—A. May, 1894, I think.

Q. And has it continued up to the present time?—A. It continued up to November or December, 1897.

Q. Was it while you were thus employed that this construction for telephone service and the fire-alarm system took place?—A. Yes, sir.

Q. And is that all the experience you have had in relation to that kind of construction?—A. Well, judge, it is and it is not. The plant of the policing and fire-alarm system is the only plant I have had absolutely superintended and built under my own personal direction, but I was appointed as engineer to a commission for the purpose of investigating and studying the subway systems in the various cities of this country.

Q. Where?—A. In Baltimore; and that commission spent a great deal of time in visiting and inspecting the various methods of construction and so on in the different cities of this country.

Q. What construction has there ever been under your supervision? Has there been any at all excepting what you have mentioned in your direct testimony?—A. No, sir.

Q. Nothing but that?—A. No.

Q. Now, I would like to have you state what the construction was which was done under your supervision. I do not ask you to go into

it elaborately or give a detailed statement, but I want to know what the character of the construction was that came under your supervision in Baltimore.—A. In what way do you mean? You will have to make yourself more explicit, as that is a rather hard question to answer.

Q. Well, did you put down an underground system?—A. Yes, sir; I put in an underground system.

Q. Did you make any overhead construction?—A. Yes, sir.

Q. To what extent?—A. Simply remodeling the circuit and the fire-alarm systems.

Q. To what extent have you constructed or supervised the construction of overhead construction?—A. Simply for the fire-alarm telegraph and in connection with the old Baltimore and Ohio Telegraph Company. I did some work for them.

Q. Can you give the committee some idea of how much there was of it?—A. I could not give any definite statement as to that.

Q. Did you procure the poles; did you use poles?—A. Yes, sir; used poles; procured poles.

Q. To what extent did you procure poles?—A. I could not tell you that.

Q. You do not know whether there were 100 or 1,000?—A. No, sir. I could not give you any definite statement, or even approximately, the number we used.

Q. Was it any considerable number?—A. Yes, sir; a considerable number of poles.

Q. Can you give us any idea at all about it?—A. No, sir.

Q. With reference to wires—the wires that were strung on these poles have been referred to. Do you know anything about the cost thereof?—A. I would simply like to ask why do you ask me that question?

Q. Because I want to see how much information you have on the subject you have been talking about.—A. The point is this: I have a very decided knowledge of the cost of wire.

Q. Then give it to us.—A. What do you mean?

Q. The cost of these wires used.—A. I say I have a positive knowledge about that.

Q. That is what I am after. If you know that, tell the committee about it.—A. It is a knowledge of the cost of wires and cables, and so on.

Q. Do you know what size of wires they use?—A. Various sizes.

Q. Do you know anything about the cost of them?—A. I think I can come within a thousand yards of them.

Q. I mean cost.

Mr. HEMPHILL. The cost per yard or per mile.

By Mr. WILSON:

Q. Yes; I want to know what this costs—how much you know about it.—A. I have given a statement. I have given one statement in relation to the cost of overhead construction.

Q. How did you get that statement?—A. I got that partially from the estimates of several contractors and partly from the cost of work we had already done over there.

Q. Who gave you the cost of the work?—A. We kept a record of that in my own office.

Q. You knew that?—A. From my own personal knowledge; yes, sir.

Q. You say partly from estimates made by contractors?—A. Yes.

Q. When did you get those estimates?—A. Those estimates were gotten about eighteen months or two years ago.

Q. And the actual cost, now, of overhead construction such as you have done there you have given as well as you can?—A. I have given it correctly, sir.

Q. Can you give us anything more definite than you have already given us?—A. What do you want?

Q. I want to know what the actual cost was and the sources of your information.—A. Well, I have given the cost—the estimated cost—already in the testimony; and I told you that the sources of information were, first, from the records which we have in our own office, and secondly, from estimates—received from various contractors who have done work of different kinds.

Q. You say you have given us the estimated cost?—A. Yes.

Q. Then that is not the actual cost, is it?—A. You know, as a point of fact, the actual cost of over lines or of a subway will vary in different parts; you can not state in advance absolutely what a line will cost.

Q. In this pole line of yours how many wires did you have on a line of poles?—A. It would vary.

Q. Well, what is the highest number?—A. Well, the highest we had, I think, in the fire alarm—[witness hesitating] I do not remember that.

Q. Can not you give us the largest number you used on any one line of poles?—A. No, sir.

Q. What is the smallest number you used?—A. One.

Q. Did you use as many as a dozen wires on any line of poles?—A. Yes, sir.

Q. More than a dozen?—A. Yes; I think we used more than a dozen.

Q. Can not you give the committee any better idea than you have already given of the number of wires you used on a pole line?—A. With all deference, I do not think that would give any light to the committee. I would answer that if I knew, but I do not really know. It has been a year and a half since we put that fire-alarm system in, and you can not expect me to tell you which terminal pole has the greatest number of wires on it. Those details have no relevancy, absolutely.

Q. You may not think they are relevant, Mr. Hill, but I want to find this out, because you are making comparisons between this overhead construction you put in and some other system.—A. No, sir; I am not. That estimate is not at all an estimate for——

Q. I am trying to find out now whether what you have told the committee in regard to overhead construction would be of any service to them in determining about the overhead construction for the telephone system in the city of Washington. That is what I am trying to get at.—A. That is not for me to say, sir. I would not come here and give testimony if I thought it was useless.

Q. Who employed you to come here and give testimony?—A. I suppose, sir, this citizens' committee.

Q. And how long have you been working on this for the citizens' committee?—A. For several weeks.

Q. They gave you information as to what it was they desired that you should testify about?—A. Yes, sir.

Q. And you have given now about all the information you can give in regard to this overhead construction for this particular kind of service that you have mentioned? That is the best you can do, is it?

Mr. PITNEY. What do you mean by that? I do not understand that question.

Mr. WILSON. I mean to ask him whether he has given the committee all the information he can in respect of this overhead construction in Baltimore that he has been talking about here.

Mr. PITNEY. All right. I would simply remind you that he has not been asked to give all he knew, as I understand it, about that subject or any other subject. You must remember, Judge, that you are not trying this case before a jury.

Mr. WILSON. That is the question I asked him.

Mr. PITNEY. Judge Wilson, the point is this: If there is any part of the witness's examination which it is desired to cross-examine about, it should be done; but I do not see that it will be of any particular advantage to the committee to have these questions asked for the purpose of impeaching the witness, when they do not impeach him in fact.

Mr. WILSON. I am not attempting to impeach him. What I am trying to do is to ascertain the extent of the knowledge of this witness. He has been giving facts here that I suppose you are going to make some use of, and if you are not going to make any use of them I do not care anything about it. If you are going to use them, then I want to find out the extent of his information.

The WITNESS. I objected very seriously to being brought here as an expert and being examined on the lines he is examining——

Mr. PITNEY. Any witness can be examined, perfectly properly, as to the extent of his information, and the means he has had of acquiring the information about which he testifies. All we want to do is to save time.

The WITNESS. I am willing to bring letters here from leading engineers all over this country, to give any credence to my testimony that is needed to satisfy the committee.

Mr. DOCKERY. I have not heard the examination in chief, but it seems to me that questions looking toward bringing out the witness's experience are proper.

Mr. PITNEY. Yes, they are proper. The only objection was this: The general questions were put apparently intending to impeach him as a witness, while, if I understand his testimony, as given at the previous session, correctly, his testimony then given was closely in line with the testimony introduced by the witnesses produced by the telephone company, and I do not see, unless counsel is trying to controvert——

Mr. WILSON. That is what I am doing.

Mr. PITNEY. Very well.

The CHAIRMAN. What is the question?

Mr. PITNEY. Whether he had now told all he knew about overhead construction. I want to give the cross-examiner the utmost liberty, but it does not seem to me that that kind of a question helps much.

Mr. WILSON. I submit that if the figures he has given in regard to overhead construction are to be used by you, then you are to give them such weight as they are entitled to, and for the purpose of ascertaining what weight they are entitled to we ought to know the extent of the witness's information.

Mr. PITNEY. He has testified several times that he has constructed certain lines, that he has made it his business to keep himself informed about the cost of construction and about the cost of those things which enter into construction, and he has put together statements thus obtained, partly from experience and partly from inquiry, and his judgment is that the cost of overhead construction is so and so.

Mr. WILSON. I want to show that his testimony on that is not entitled to any weight whatever, because he does not know what he is talking about.

The CHAIRMAN. That is an expert opinion?

Mr. WILSON. Yes.

The CHAIRMAN. It seems to me counsel should be allowed to question the witness with regard to the sources of his information and his experience and so on, and I do not understand Mr. Pitney objects to that.

Mr. PITNEY. No; he has been cross-examined about that at great length.

The WITNESS. Mr. Chairman, of course this is not the first time I have been called upon in matters of this kind. I submit, with your permission, that it is not fair to an expert witness to bring him before a corporation like this to belittle him with a printed document, like this record will be, it being published and sent out broadcast over the land. I object to it. I do not think you are protecting the witness, and I submit that if these gentlemen take exception to my testimony that they have means at hand open to them, and those means are to bring other witnesses here.

The CHAIRMAN. It is perfectly proper that you should be cross-examined as to your experience and knowledge in regard to the matters upon which you have testified as an expert.

The WITNESS. I have told what my experience has been. I do not object to telling that.

The CHAIRMAN. If they are repeating questions to you, the best way for you to do would be to answer in repetition.

Mr. HEMPHILL. It seems to me the witness thinks the counsel for the telephone company is trying to catch him, whereas he is only trying to get at the witness's knowledge. The witness should tell us what his knowledge is. Judge Wilson has a perfect right to test his knowledge and his experience in the matters about which he has been testifying. The witness misunderstands counsel, I think. It is not any desire to put him on a false basis or anything of that kind that influences Judge Wilson, but he simply wants to find out the sources of the witness's knowledge. I think we can rely on Mr. Hill's knowledge and experience.

By Mr. WILSON:

Q. Now, I want you to tell me how you get at your 15 per cent for depreciation in this overhead construction.—A. Fifteen per cent depreciation? I do not say 15 per cent for depreciation.

Q. What did you say?—A. I say 8 per cent.

The CHAIRMAN. Eight per cent and several different items amounting to 15 per cent.

By Mr. WILSON:

Q. It was 8 per cent for depreciation, was it?—A. Yes.

Q. How do you get at that?—A. By taking the cost of repairs for a period of years.

Q. How many years?—A. I think we went back to the beginning of the fire alarm telegraph system in one instance. It is not confined to the work there, but the reports received from various sources are taken into consideration.

Q. In other words, can you tell us what the depreciation has been of the overhead system in Baltimore?—A. It has caused a renewal about once every twelve years.

Q. How long has that overhead system been in use in the city of Baltimore?—A. It has been in use [witness hesitating].

Q. I mean the overhead part of it?—A. I do not remember the exact date, but it has been in use some thirty-odd years, I think.

Q. For what purpose?—A. Poles for the fire-alarm telegraph——

Q. Telegraph or telephone?—A. Both.

Q. How long has the telephone part of it been in use?—A. I could not tell you exactly.

Q. About how long?—A. I do not know.

Q. How do you get at the depreciation? I am speaking now of the Baltimore plant that you have superintended. How do you get at the depreciation of the underground part of that plant?—A. The underground part is estimated for Baltimore.

Q. It is estimated?—A. Yes.

Q. How long has that underground part of it been in operation?—A. About two years.

Q. And on what basis do you make your estimates and what facts have you upon which you make your estimates?—A. We have submitted to us, Judge, the cost of the maintenance and depreciation in the cities of Philadelphia and Boston and other places where they have underground wires, in answer to communications sent to them.

Q. Who sent those communications?—A. The different chiefs of the departments in the respective cities.

Q. But who in Baltimore sent those communications to the different cities to get at the depreciation of the different systems?—A. I sent them.

Q. When?—A. Well, I do not know, but probably during the period from 1894 to 1896 or 1897.

Q. Now, from your own experience in Baltimore, can you tell the committee what the depreciation has been during the two years that this underground system has been in operation in Baltimore?—A. We can not see any depreciation at all, practically.

Q. You can not see any depreciation?—A. No.

Q. Have you any means of examining the wires to see whether there has been any depreciation?—A. We have the regular testing instruments for the purpose of testing the insulation, and we can make a physical examination of the lead coating and covering, opening the manholes and investigating the system throughout.

Q. You can not investigate except at the manholes?—A. No; we can not investigate between manholes without destroying the cables, which we have not done; but we have used the instruments on the cables.

Q. So far as this system of yours in Baltimore is concerned, the depreciation is purely an estimate, is it not?—A. On the Baltimore system; yes, sir.

Q. And all the other information you have is what you acquired by writing around to different cities and getting statements?—A. Yes, sir.

Q. That is all you know about depreciation in other cities?—A. No; I feel from my knowledge of underground work, and the experience I have had along that line, that I am capable of judging slightly what the cost would be. I do not feel that I am unable to take an estimate and not criticise it intelligently.

Q. But this is an estimate at last?—A. Of course it is an estimate. These estimates are made, you must understand, for a system that it is proposed to build.

Q. In other words, you have those estimates, and they were made

when it was proposed to put in this underground system in Baltimore?—A. Yes, sir; and it is the consensus of the opinions of the heads of different companies and different chiefs of departments in different cities in this country, collaborated and got together for the purpose of getting a basis upon which to rest, and I think it is probably the fairest and most general estimate that has been gotten up in this country.

Q. Very well. Did you get that information in respect to the operation of telephone systems—or, I will ask you, from what did you get it?—A. Well, we got it variously—electric light, telegraph, telephone companies——

Q. Can you tell us the size and depth of the trenches you used in this system that you put down in Baltimore?—A. They varied from 18 inches wide and 3 or 4 feet deep to 2 or 3 feet wide and 18 or 20 deep.

Q. How is it about the manholes? What is the size of the manhole you used?—A. They varied. We had one form of manhole 5 by 5—an octagon manhole; and another 5 by 4, with a square hole; and one 24 by 24—different sizes, depending upon the different surfaces.

Mr. HEMPHILL. Twenty-four inches, you mean?

The WITNESS. Yes; 2 feet.

By Mr. WILSON:

Q. How were they constructed?—A. Bricks laid up in cement mortar, with a concrete foundation, and backed all around with concrete, and finished at the top with an iron manhole cover.

Q. How far apart were those manholes?—A. Varying, depending on the length of the squares and other obstructions which we met; all the way from 20 or 30 feet to 450 or less.

Q. What number of wires did you carry in a cable in these ducts of yours?—A. That varied.

Q. What was the highest number?—A. I think the highest number of wires we had in any cable was about seven. I am not positive about that. It is somewhere in that neighborhood.

Q. Do you know how the trenches and the manholes, etc., of the Chesapeake and Potomac Telephone Company in the city of Washington compare with the same things in the city of Baltimore in this system that you put in there?—A. You mean compare the Washington system with our system in Baltimore?

Q. Yes; as to the size and the depth of the trenches, the number of manholes, the size of the manholes, and the manner of construction. Do you know how they compare with yours?—A. The manholes are much larger than ours.

Mr. PITNEY. That question covers too many points. I suppose your question is, first, whether the witness has any knowledge as to the points you ask him about; and then, if he has any knowledge, you can ask him specifically about the matters named.

The WITNESS. I have only a general knowledge of the Chesapeake and Potomac Company's plant in Washington.

By Mr. WILSON:

Q. Well, how do these things that I have mentioned compare with the same things that you have in your system in Baltimore?

Mr. PITNEY. I want you to make that more specific.

Mr. WILSON. I am taking the width and depth of the trenches.

The WITNESS. The width of the trenches is greater, and the average depth is greater.

Mr. HEMPHILL. Here?

The WITNESS. Yes; in Washington.

By Mr. WILSON:

Q. How about the manholes?—A. The manholes are larger.

Q. How about the number of them; are they greater in number here?—A. I could not say positively, but I judge they run about the same.

Q. Some of these how far apart?—A. I am giving you the limit, and some 20 and less. I know one point the longest stretch was 450 feet, and that was above everything else. The average is somewhere in the neighborhood of 300, or less, maybe.

Q. How about the ducts you used over there for your purposes, and the ducts here; how do they compare in size?—A. Well, you can not compare them in size in the sense of figuring on their capacity. The ducts here are larger, and each duct is designed to carry two or three cables, whereas in our system we put in a duct for each cable.

Q. What is the greatest number of ducts you have in any one trench?—A. We have just a short stretch with 12 ducts.

Q. You have not any as high as 72 ducts in them?—A. No.

Q. How long is the stretch where you have 12 ducts?—A. About 40 or 50 feet.

Q. And aside from that 40 or 50 feet, how many ducts do you have in a trench?—A. The whole system for its entire length averages about three and a fraction ducts.

Q. And the highest number is 12?—A. Yes; 12.

Q. That is only for 40 or 50 feet?—A. That is only for 40 or 50 feet.

Q. Has your city system suffered any from corrosion?

Q. You mean the electrolysis?

Q. Well, I will take that word.—A. No; we have not had but one trouble since the system has been in.

Q. When did you have that one trouble?—A. That was on a small No. 2 wire cable, way down in southwest Baltimore.

Q. And when did that occur?—A. That occurred about a year or more ago.

Q. That occurred shortly after you introduced this system, did it not?—A. Yes, sir.

Q. And what brought your attention to the fact that this electrolysis had occurred there?—A. One of the circuits became grounded.

Q. And what was the cause of that electrolysis?—A. It is due to the fact that the bonding of the street railways of Baltimore is not perfect, and there we use the overhead trolley system, in which the conducting current travels from the trolley wire and comes back by means of the rails. The bonds being imperfect, the resistance in the earth is greater than other conductors which are found in the ground, such as water pipes or the lead covering of the cables placed underground, and as a result the current leaves the rail and seeks the easiest path home. At the point where the current enters the cable there is no particular harm done if the potential of the earth is greater than the cable, but the point where the current commences to leave the cable again to get to the power station the electric action is set up and the lead is converted into some of the salts of lead, with the result that the cable covering is gradually eaten away.

Q. In short, very soon after you installed this plant there you found this difficulty?—A. Yes.

Q. And you set about to remedy it?—A. Yes, sir.

Q. What did you do to remedy it?—A. We bonded up the cables with return wires, copper wires, which we connected up directly with the negative buzz bars in the different power stations.

Q. Can you tell the committee about how much copper wire you used for the purpose of accomplishing that?—A. No; I can not.

Q. Can not you give us an approximation of it?—A. If I remember rightly—no; I can not give you the exact figures.

Q. I want an approximation. I do not expect to get the exact figures, although I would like to have them if you can give them.—A. I think it costs between—in the neighborhood of $4,000.

Q. How much wire did you use? Can you tell that?—A. No, sir.

Q. Can you tell in weight how much you used?—A. Well, that cost us about 14 cents and a fraction. Can you divide that out there? No, I could not do that, because I do not know what proportion of that was labor.

Q. You can not tell how much wire you used?—A. No, sir.

Q. You can not tell the pounds or the tons?—A. No. sir.

Q. Do you think you used as much as 13 tons?—A. No; I do not think we used 13 tons.

Q. Did you use a tenth part of 13 tons?—A. No; I do not think we did.

Q. Well, that was something that had to be done, did it not?—A. That was something that had to be done.

Q. And in a telephone plant you would have to do the same thing, would you not?—A. Yes, sir; we would have to do the same thing.

Q. And you can not give the committee any idea of how much wire you had to use?—A. No; as I say, the only thing I can say is that that work cost us, I think, about $4,000.

Mr. PITNEY. Have you the data in Baltimore?

The WITNESS. Yes.

Mr. PITNEY (to Judge Wilson). Do you want the exact amount?

Mr. WILSON. I would like to know it; yes, sir.

Mr. PITNEY. The witness had better look that up. Let us have it, please, as soon as you can. (To Mr. Wilson) It is not important to get at that at this moment, as I understand it, so please do not spend so much time on that.

Mr. WILSON. No, sir; it is not important at this moment.

Mr. PITNEY. Let us not take up any more time on that, then.

By Mr. WILSON:

Q. Of course you do not know anything about how much copper wire the telephone company in this city would have to use to protect against electrolysis.—A. No, sir.

Q. Well, if you will give us how much you used in Baltimore I have nothing more to ask you.

By Mr. BRYAN:

Q. The statement was made here that there was some work put down under sheet asphalt?—A. Yes, sir.

Q. As a matter of fact that was an insignificant amount, was it not, there being at that time no sheet asphalt in Baltimore to amount to anything?—A. I forgot to get that for you, Mr. Bryan.

Q. In speaking of the comparative cost of putting down underground wires under asphalt and under cobblestone, you make the cost of four-duct conduits under the asphalt more than double the cost under cobblestones, in your testimony. By that testimony I see that one is put down at 70 and the other at $1.50.—A. Yes, sir.

Q. Where you increase it only one duct, you increase the cobblestone estimate 30 cents and you only increase the other 20 cents—that is to

say, the difference between the cobblestone and the asphalt, where there are five ducts, is only 70 cents, but where there are only four ducts it is 80 cents; and when you get up to ten ducts the difference is only 80 cents and up to fifteen ducts it is only 85 cents difference between the two. Why should there be that difference? It may have been a misreading of the figures, but they are in the printed report here. There is only 5 cents difference between cobble and asphalt in the fifteen-duct system and in the four duct.—A. The four-duct conduit might be laid with four ducts flat and four ducts laid side by side, and the fifteen-duct conduit might be laid five wide and five deep.

Mr. PITNEY. Five wide and three deep?

The WITNESS. I mean five wide and three deep or three wide and five deep. So it does not necessarily follow that there is any more paving to do on a 15-duct conduit than on a 4-duct conduit.

By Mr. WILSON:

Q. But that does not explain. In every case, whether you put down four ducts or fifteen ducts, you had to have your trench wide enough for a man to work in it?—A. Yes, sir.

Q. And you would not have it any wider than necessary for a 15-duct conduit?—A. No, sir.

Q. Then the paving in every case would be the same, would it not?—A. No, not necessarily.

Mr. PITNEY. What is the answer?

The WITNESS. Not necessarily. I can explain in a few minutes, I think, if you desire me to. These prices given to the committee were taken from a desk diagramatic chart which I took in reading here. With the scale used on that chart it might be possible that an error of 5 cents a foot might be made in reading the chart.

Mr. PITNEY. The chart was made up from figures that you got together before, and in giving your testimony here you deduced the figures by applying the scale to the graphic chart which you had?

The WITNESS. Yes, sir. The scale of that is so small that it is possible, very easily, to make a mistake of 5 cents a foot, which on that cost would be—how much?

Mr. BRYAN. What is that?

The WITNESS. How much is that total cost under asphalt?

Mr. BRYAN. Three dollars and ten cents.

The WITNESS. You see 5 cents on $3.10 would be rather a small fraction for general purposes of estimation.

By Mr. BRYAN:

Q. As a matter of fact, if you put down single duct, where you had manholes throughout, would not the single duct cost as much for repaving as four or five ducts?—A. Approximately; yes, sir.

Q. Then, what puzzles us is, where you more than double your work for the asphalt in the 4-duct, in the 5-duct you make the cost here $1.70 under the asphalt, only 20 cents more, and you make it under the cobblestones 30 cents more—that is, the increase from 70 to $1 is 50 per cent more than your increase from $1.50 to $1.70.—A. That is not for the paving alone. That includes the cost of the duct and everything.

Q. The duct is the same in either case. My main object was to point out the inconsistency of the figures, and if they are inconsistent we can not apply them to our scale.

Mr. PITNEY. Please get at the point you desire. The way you are

conducting the examination I am afraid the stenographer's notes when transcribed will not throw much light on the examination.

Mr. BRYAN. They will throw this much light, that if this statement is correct then we will demonstrate it, and if it is not correct we want to show that.

By Mr. BRYAN:

Q. We have not any details of pole-line construction. This estimate is a total?—A. Yes, sir.

Q. No figures as to poles, sizes, dimensions, or anything of that kind, and if we were estimating for work of that kind we would be compelled to give the details of everything that went into the construction of a pole line of a mile, say, carrying 120 wires. You stated to Judge Wilson that you arrived at the 8 per cent per annum depreciation on a pole line by the experience you had in the fire-alarm system in Baltimore?—A. Not alone, sir.

Q. I do not think your experience there will be of any value, and that part of your testimony is not calculated to throw light, for the reason that there had been a partnership arrangement between the telegraph, telephone, and other companies, including the city, and a very large number of the best poles in the city of Baltimore used for the fire-alarm system to-day were erected by the Chesapeake and Potomac Telephone Company on the fire-alarm system right of way, and therefore any question of depreciation based upon the experience of Baltimore would have to take in all these various elements and varying conditions.—A. That would probably make it less, then, than otherwise. So, therefore, that is what I want. I want to estimate the overhead at the lowest possible cost. In that condition there, the company putting up poles, and that sort of thing, would tend to materially reduce the cost of operation of the overhead system.

Mr. BRYAN. It is rather low now.

Mr. PITNEY. What is that?

Mr. BRYAN. I said the estimate for depreciation is rather low now as given by Mr. Hill.

By Mr. BRYAN:

Q. You spoke of there being no depreciation in your underground construction in Baltimore. Have you not been advised on two or three different occasions a part of your cable has had to be replaced?—A. Mr. Lemon, who is the superintendent of the fire-alarm telegraph, has followed that system up right along since it has been put in, and he has told me that the only trouble he has had since that plant was inaugurated there has been the breaking of two or three joints in the manholes; that is, the joints opened; that has happened upon two or three occasions. He told me that the total expenses on repairs to his system had not netted, he did not think, $50 for the two years.

Q. Is Mr. Lemon an electrician?—A. Mr. Lemon is a thoroughly responsible and reliable man.

Q. Do you know whether in the past year any test, such as you spoke to Judge Wilson about, has been made to ascertain the conditions of the underground wires belonging to the city in Baltimore? During the past twelve months, I speak of.—A. I do not know, but I think there has been such a test.

Q. You have no knowledge —— A. I have knowledge.

Q. Is Mr. Lemon qualified to use those delicate testing instruments *by which* anything wrong can be detected?—A. I do not know. I do

not think he is; but I do not think you ought to bring me in to testify as to that.

Q. You said that tests had been made, and I wanted to know by whom.—A. In our office.

Q. How long have you been out of the service?—A. I have been out of that service fourteen or fifteen months, but we have done a great deal of testing for the fire-alarm office.

Q. I note in the printed testimony here you state that the depreciation on the underground system is 1 per cent. You changed that figure to 3 to-day.—A. I did not notice that; maybe I did. Yes, sir; I changed that, if that is it. It should be 3.

Q. Where did you get your 1 per cent when you said 5 before, and where do you get your 1 per cent now?—A. One was a mistake. I put maintenance down as depreciation.

Q. Then there is a maintenance charged to depreciation which you estimate would make 4 per cent on the underground?—A. Yes.

Q. You speak in two or three places about there being 30 and 31 miles of conduits. Some places 30, and some places it appears 31. You say that the average number of ducts is about 3½. That would make about 105 miles, would it not?—A. Three and a fraction I said, sir.

Q. Well, I find you speak further on at some length about 130 miles of ducts. That would make about 4¼.—A. If you will recall I think you will remember that I stated at the time I was giving that testimony——

Q. It is not of great importance.—A. (Continuing) That those lengths were impossible to give and it does not matter particularly in this testimony——

Q. No; I only wanted to find out.—A. (Continuing) I can give you that exactly.

Q. What I wanted to bring out by that question was this: That if certain questions which have a bearing on the main question are incorrect because the witness had no memoranda and were spoken of from memory purely, then is it not fair to assume that his memory might be faulty in some other respects, and if necessary to go back and get memoranda——

Mr. PITNEY. This is argument you are indulging in now. Let us separate the testimony from the argument as much as we can. I do not object to a comment on the testimony as we go along where it can not be done in any other way, but if the testimony of this witness is unreliable the best way to controvert it is by cross-examination and by other witnesses.

By Mr. BRYAN:

Q. We will not argue the question. There is another little discrepancy where one and two duct conduits are spoken of toward the latter part of the witness's testimony. In the first part of it it is said to consist entirely of conduits carrying from two to eight ducts. Another matter that strikes me of some importance is the question of carrying electric-light wires and telephone wires in the same conduit. Your testimony is to the effect that in Philadelphia that is being done.—A. Yes, sir.

Q. Then you state that they were carrying an alternating circuit or current there.—A. Yes, sir.

Q. Do you know that to be a fact?—A. Yes, sir.

Q. Not a direct current?—A. Not a direct.

Q. Your information on that subject came from Mr. Walker?—A. Yes.

Q. You also refer to the testimony of experts on that subject, mentioning a professor at Johns Hopkins.—A. Yes, sir.

Q. Professor Rowland—do you know whether he has had any experience in business or whether he has simply made laboratory tests?—A. I do not know about that, but Professor Rowland is an electrical expert known all over the world. He and Lord Calvin, I guess, are about the top of the heap. I do not think there is any question about his opinion.

Q. Even about practical matters?—A. Well, I do not know about practical matters; but the effect of induction on telephone service is something he knows about, and there is no question about his ability to advise in relation to other things. I am sure the American Bell Telephone Company would be satisfied with his testimony.

Q. Yes; in any theoretical matter, I have no doubt of it. Did you ever read the report of the Brooklyn subway commission?—A. I have at times.

Q. Do you know that that commission recommended that the wires be put in separate conduits?—A. Yes; I believe they did.

Mr. PITNEY. How long ago was that?

Mr. BRYAN. 1896; but they made a report on that for several years. That commission was composed of Prof. R. W. Raymond——

A. And Professor Plimpton.

Q. (Continuing) Professor Plimpton and Professor Lee.

By Mr. BRYAN:

Q. There is one little question as to the damage on cables. I do not know how familiar Mr. Hill is with this corrosion that we were speaking about a short time ago, but I would like to ask him if he recognizes this illustration on page 23 of Senate Report No. 675, Calendar No., 739, Fifty-fifth Congress, second session, report of Mr. Allen on the electrolysis in Washington [handing witness report referred to]. Do you recognize that as cables that had been affected by electrolysis?—A. Not as cables.

Q. Those are water pipes, but it is the same thing in substance.—A. I have seen photographs of iron pipes similarly affected by electrolysis.

Q. You say you are acquainted with the Brooklyn report?—A. Yes, sir.

Q. In taking into account the depreciation of underground cables, do you remember of seeing, on page 10 of the 1896 report, a statement to the effect that corrosion is so great that water pipes have to be carried overhead—house-service pipes?—A. No, sir; I can not say I do.

Q. It will be found on page 10 of that report, 1896.—A. (Continuing) The conditions in Brooklyn are much worse than they are in almost any other city in this country, and the conditions here are much better than in most cities, on account of the underground-trolley system.

Q. Perhaps you will change your mind about that after reading this report, which states that the water supply is being interfered with and the gas pipes are being eaten through and the health of the community endangered.—A. The fact is, cast-iron pipe is little or not at all affected by electrolysis.

Q. I am not speaking about cast-iron pipe; I am speaking about wrought-iron pipe and lead pipe.—A. You mean the service pipes?

Q. Service pipes and lead covered cables.

Redirect examination by Mr. HEMPHILL:

Q. You have two general sources of information from which you have been testifying here, as I understand. One was your own experience

and the other was knowledge gathered from various sources?—A. Yes, sir.

Q. State how many cities you gathered information from.—A. I think I have already stated that. I visited Philadelphia, New York, Brooklyn, Boston, Providence, Buffalo, Rochester, Cleveland, Detroit, Chicago, St. Louis, Cincinnati; in fact, all of the principal cities of the country.

Q. Whom did you gather information from in those cities?—A. We either visited the city electrician or the chief of the fire-alarm and police telegraph systems, or the wire commissioner, or whatever the chief of that particular department of the city happened to be called, and we visited different electrical companies, telegraph companies, telephone companies, and electric-light companies, and we also visited individual engineers, consulting or otherwise, who had had experience in underground matters and whom we thought could probably give us information we were looking for.

Q. Under what authority did you make these visits?—A. Under the act which created the electric subway commission of Baltimore, which was organized and created for the purpose of investigating and determining the best methods of placing the wires underground in the city of Baltimore and of determining what the probable cost of such a system would be, what the cost to operate would be, and what the necessary rental would be.

Q. What wires were to be included in that?—A. To be included in that were all the wires—telegraph, telephone, electric light, street railway feeder wires—except the wires of the Chesapeake and Potomac Telephone Company, which company has already a system of conduits in the city of Baltimore.

Q. The figures that you gave here the other day are, then, the result of that investigation and the result of your own experience?—A. Yes, sir.

Q. Is there any particular advantage in having manholes so very large? What is the advantage in it, if there is any advantage?—A. The smaller a manhole the better; that is, they should be made as small as possible to carry the number of cables which it may be desired to pass through it.

Q. You have already given the size in Baltimore?—A. Yes, sir.

Q. And what is the effect of very large manholes; do they keep other companies from going through?—A. The effect of very large manholes, of course, is to increase the cost. They necessarily occupy more space than is necessary in the street, which brings about an expense to the city, and at the same time prevents other companies from operating in the same streets.

Q. You have spoken of $4,000 that was expended to correct this electrolysis in Baltimore. What wire did you put in there; I mean, what proportion of this underground system did these wires extend?—A. Only for a very small proportion. I could not say exactly; I never took the trouble to find out, but it was a very small proportion of the total system.

Q. What made the cost, then?—A. Well, you will find a certain zone about the power stations in which the current commences to leave the cable and return, and it is only necessary to bond up in those districts where the current is commencing to leave, and that district is more or less confined.

Q. Is it likely to be necessary to do that at a distance from the power station, or is it only about the power station?—A. It may possibly be

necessary some distance away from the power station, but as a rule it does not so happen.

Q. What power station was this where you did this bonding?—A. It was connected up with the different ones.

Q. How many stations?—A. Three, I think. The Traction Company, the City Passenger, and the City and Suburban are the only ones to which we made any connections at all.

Q. Was that all included in this $4,000 expenditure?—A. Yes, sir.

Q. Why did you do it at all three of these stations?—A. Because the current from the Traction Company's road was finding its way back through our cables, and likewise the current from the City and Suburban Company's power house——

Q. So as a protection, you bonded all of them?—A. Yes, sir.

Recross-examination by Mr. WILSON:

Q. Did you do any work which was unnecessary?—A. In bonding?

Q. Yes.—A. Not that I know of.

Q. Did you bond to the telephone company?—A. The telephone company and ours use the same bond wire and in some places we would make a connection where they had a line of ducts, and they would tap onto us, and in other cases we would run through their system.

Q. How much benefit did you get from the telephone company?—A. We got some benefit.

Q. How much more would that work have cost you except for the benefit you got from the telephone company?—A. I do not know.

Q. A good deal more?—A. It probably would have cost us more except for that.

Q. The expense to you is very much reduced by reason of the fact that you were permitted to bond with the telephone company?—A. Yes, sir; and we saved them in turn.

Q. But this would have been a very large sum if it had not been for what they did?—A. Yes, sir; there is no question about that.

By Mr. BRYAN:

Q. You stated you did not think you used a tenth of thirteen tons of copper?—A. Yes, sir.

Q. Perhaps you did not. We did not use 13 tons, but we used about 12 tons. So of course you got advantage of what we used and we got advantage of what you used?—A. Yes, sir.

Q. And our cost was many times $4,000?—A. I do not know about that, of course.

Q. If yours was $4,000, ours would exceed that amount a good deal.

By Mr. WILSON:

Q. I want to know what system of inspection you have in regard to your manholes in Baltimore?—A. We have one of the former employees of the telephone company, I think, now employed in the fire-alarm department—Mr. Smith.

Q. How many men have you employed in that way?—A. I do not know.

Q. More than one?—A. In the fire alarm, all told, about 10 or 12, I think, or 8 or 10. I do not know which number.

Q. For the purpose of inspecting manholes do you ever have them pumped out?—A. Yes, sir; they go around and pump them out, I believe.

Thereupon, at 12 o'clock, the committee adjourned until Thursday, *June 16*, at 10 o'clock a. m.

INDEX.

Page.

AINSWORTH COMMITTEE 69, 116

AMERICAN BELL TELEPHONE COMPANY:
- Capitalization of 108
- Contracts with Chesapeake and Potomac Telephone Company 122, 185–200
- Contracts of, with National Capital Telephone Company 177–184
- Contracts of, with National Telephone Exchange Company 166–177
- Contract of, with Western Union Telegraph Company 62, 90, 126, 131, 225–238
- Dividends paid by 57
- Dividends received from Chesapeake and Potomac Telephone Company. 200, 221
- Interest of, in Chesapeake and Potomac Telephone Company 57, 62, 64, 107
- Patents of 59, 109, 111
- Royalties paid to, by Chesapeake and Potomac Telephone Company. 200, 221, 342
- Statistics of 43
- Suits instituted by 110, 126

AUTOMATIC TELEPHONE COMPANY 31, 39, 112, 125, 130

BALTIMORE, MD.:
- Competing company in 78
- Overhead wires in 74
- Telephone charges in 78, 135
- Telephone regulations in 135
- Underground system in 74

BELL RECEIVER 124

BERLINER PATENT 59, 109, 126

BERLIN, GERMANY, TELEPHONE CHARGES IN 34

BIRNEY, A. A., STATEMENT OF 24–41, 42–58

BLAKE TRANSMITTER 124

BROWNE, SIDNEY HAND 97

BRYAN, SAMUEL M.:
- Letters from 23, 41, 115, 131, 165, 201, 211, 240, 339, 416
- Letters to 14, 115, 201
- Profits in telephone business, concerning 85, 116, 393
- Testimony of 14–22, 78–96, 98–114, 116–130, 131–165, 384–386, 387, 388, 406–416

CHESAPEAKE AND POTOMAC TELEPHONE COMPANY:
- American Bell Telephone Company, interest of, in 107
- Annual reports to directors 347–375
- Annual reports to stockholders, 1886–1897 208
- Bonds issued by 116
- Capital stock of 23, 62, 64, 121, 161
- Capital stock of, representing District of Columbia plant 205
- Cash invested by, in District of Columbia 131
- Cash investment of 67
- Cash resources of 204
- Charges of, in Baltimore 135
- Charges of, in District of Columbia 132
- Conduits laid by 23, 48, 65, 74, 314
- Construction account of 203, 216, 406–409
- Contract, forms of 137–154
- Contract, restrictions of 50, 132, 135
- Contracts of, with American Bell Telephone Company 122, 166–170, 185–200
- Desk attachments 128
- Dividends paid by, 1883–1897 ..... 205, 221, 345
- Dividends paid to Bell Telephone Company 200, 221
- Employees of 209
- Flat-rate stations of 130
- Grounded circuits of 123

CHESAPEAKE AND POTOMAC TELEPHONE COMPANY—Continued. Page.
Income, account of 214
Journal of, page 2 of 288
Laws and regulations affecting 24
Ledger of, pages 10, 11, and 25 of 289
Merger of 131
Merger of National Capital Telephone Company with 184–188
Metallic circuits of 123
Miscellaneous purchases of, 1897 155
Monitor system of 128
Officers and directors of 131
Officers of, names 23
Officers of, salaries 131
Operating expenses 113, 213, 341
Operating force of, rules governing 103
Overhead wires of 23, 74
President of 14, 23, 41
Profit and loss account of 215, 314
Purchases by, of Western Electric Company 154
Real estate of, in District of Columbia 384
Receipts and expenses of 23, 24, 39, 91, 159, 206, 213, 341
Receipts and expenses of, 1894–1897 206
Receipts and expenses of, 1892–1897 341
Reports, character of 20
Royalties paid by to Bell Telephone Company 90, 200, 221, 342
Surplus account of, 1891–1897 207
Surplus earnings of 207, 220, 344
Telephones of, earnings and expenses each 215, 314
Telephones of, number of and revenue from 221
Underground conduits of 118, 314
CITY AND SUBURBAN TELEGRAPH ASSOCIATION, CINCINNATI, OHIO 334
COWARDIN, W. B 33
COX, JUDGE, DECISION OF 108
CRANDALL, JOSEPH E., TESTIMONY OF 323–330
CRENSHAW, A. P., TESTIMONY OF 311–322
DISTRICT OF COLUMBIA:
Telephone companies in, history of 24
Telephone rates in 7, 25, 56, 132, 417
DETROIT, MICH., TELEPHONE SERVICE IN 27, 118
DUNCAN, DR. LOUIS 97
FREDONIA HOTEL 108
GROUT, W. W., CHAIRMAN:
Letters from 4, 14, 115
Letters to 4, 23, 131, 165, 211, 240, 339
HASKINS & SELLS, REPORTS OF 212–224, 340–347, 383, 406
HASKINS, C. W.:
Reports of 212–224, 340–347, 383, 406
Testimony of 241–305, 376–384, 386–390, 396–403
Testimony of, corrections in 388–390
HEMPHILL, JOHN J., STATEMENT OF 58–63, 64–73
HILL, NICHOLAS S., JR., TESTIMONY OF 418–437, 428–444
HOME TELEPHONE COMPANY, BALTIMORE, MD 78
INTERIOR DEPARTMENT, TELEPHONE SERVICE 96
INTERSTATE COMMERCE COMMISSION, STATISTICS OF 335
JAMES, JUDGE, DECISION OF 65
KINLOCH TELEPHONE COMPANY, CHARGES OF, IN ST. LOUIS 414
LATROBE, MAYOR 79
LONDON:
Telephone charges in 61, 71
Telephone service in 117
LUDLAM, C. F., TESTIMONY OF 335
MARYLAND:
Law regulating telephone service in 38, 51, 83
Legislative report of 36, 62, 69, 387
Telephone users in, rights of 51
MERTZ, MR., CASE OF 103
METROPOLITAN COMPANY, LONDON 71
MINNEAPOLIS, MINN., TELEPHONE ORDINANCE OF 411–413
MISSISSIPPI VALLEY TELEPHONE COMPANY 411–414
MONTGOMERY, J. B 42

NATIONAL CAPITAL TELEPHONE COMPANY: Page.
Contracts of, with American Bell Telephone Company 177–184
Merger of, with Chesapeake and Potomac Telephone Company 184–188
NATIONAL TELEPHONE EXCHANGE COMPANY:
Agreements of, with National Bell Telephone Company 166–170
Merger of, with Capital Telephone Company 170–177
NEVINS, BERNARD L., JR., TESTIMONY OF 330–333
NEW YORK AND NEW JERSEY TELEPHONE COMPANY 32, 334
NEW YORK LEGISLATURE, REPORT TO 26, 69, 116
OVERHEAD WIRES:
Comparative cost of 44, 74, 98
Prohibition of 66
PINGREE, GOVERNOR H. S 29, 30
PITNEY, MAHLON, ACTING CHAIRMAN:
Letter from 201
Letter to 201
PUBLIC TELEPHONE STATIONS 100
ROSS, JOHN W 4
STATE TELEPHONE COMPANY, MICHIGAN 119
STEARN, SIMON 61, 72, 116
TELEPHONE CHARGES:
Augusta, Ga 28, 40, 95, 97
Atlanta, Ga 5, 9
Baltimore, Md 5, 78, 135, 387, 417
Boston, Mass 6, 417
Brooklyn, N. Y 417
Buffalo, N. Y 6, 417
Chicago, Ill 417
Chillicothe, Ohio 33, 40
Cincinnati, Ohio 417
Cleveland, Ohio 417
Comparison of, under competition 40, 42
Denver, Colo 417
Des Moines, Iowa 27, 40
Detroit, Mich 27, 118, 40
District of Columbia 7, 25, 56, 132, 387, 417
Erie, Pa 6
France 34
Fort Wayne, Ind 27, 40
Germany 34
Grand Rapids, Mich 27, 40
Harrisburg, Pa 5, 9
Indianapolis, Ind 40
Jersey City, N. J 6, 13, 417
Lafayette, Ind 42
London, England 61, 71
Louisville, Ky 5
Milwaukee, Wis 5, 417
Minneapolis, Minn 410–413, 417
Nashville, Tenn 6, 8
Newark, N. J 6, 13, 417
New Orleans, La 6, 417
New York, N. Y 6, 70, 417
Philadelphia, Pa 5, 417
Portland, Oreg 42
Providence, R. I 5, 417
Rates of, in various cities 5, 6, 33, 34, 42, 417
Richmond, Va 28, 33, 40
Roanoke, Va 33, 40
St. Louis, Mo 30, 414, 417
St. Paul, Minn 6, 9, 417
Springfield, Ill 42
Sweden and Norway 34
Toledo, Ohio 5, 9, 27, 40
Toronto, Canada 73
Trenton, N. J 6
Vienna, Austria 61
Wilmington, Del 6
TELEPHONE USERS ASSOCIATION, ATTORNEYS FOR, STATEMENTS OF 24–41, 42–58, 58–63, 64–78

Page.
TOMPKINS, JOHN A., TESTIMONY OF 336-339
TRUESDELL, GEORGE 79
UNDERGROUND CABLE COMPANY 43
UNDERGROUND CONDUITS:
Authorization of 66
Cities having 21
In Washington 23, 48, 74
Of Chesapeake and Potomac Telephone Company 48, 65, 314
UNDERGROUND SYSTEM, COST OF 35, 42, 43, 44, 73, 418
UPPERMAN, HORACE W., TESTIMONY OF 306-311
VIENNA, TELEPHONE CHARGES IN 61
WESTERN ELECTRIC COMPANY 93, 107, 154
WESTERN UNION TELEGRAPH COMPANY, CONTRACT OF, WITH AMERICAN BELL TELEPHONE COMPANY 62, 90, 126, 131, 225-238
WIGHT, JOHN B.:
Statement of 7-14
Letter from 4
WILSON, JERE. M 63, 75, 105, 239

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